

BALL, JANIK & NOVACK
ATTORNEYS AT LAW
1101 PENNSYLVANIA AVE. N.W., SUITE 1035
WASHINGTON, D. C. 20004
TELEPHONE (202) 638-3307
TELECOPY (202) 783-6947

101 S.W. MAIN ST. SUITE 1100
PORTLAND, OREGON 97204 3274
TELEPHONE (503) 228-2525
TELECOPY (503) 295-1058

May 27, 1994

Direct Dial: (202)466-6532

RECORDATION NO. 10621 FILED 1425
MAY 27 1994 - 12 45 PM
INTERSTATE COMMERCE COMMISSION

Honorable Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, DC 20423

Dear Secretary Strickland:

I have enclosed three originals and two certified copies of each of the three documents described below, to be recorded pursuant to 49 U.S.C. § 11303.

I. The first document is a Security Agreement, a secondary document, dated May 27, 1994. The primary documents to which this is connected are recorded under Recordation Nos. 10398 and 10621. We request that this document be recorded under Recordation Nos. 10398-G and 10621-D.

The names and addresses of the parties to the Security Agreement are:

Debtor:

Investors Asset Holding Corp.
Exchange Place
Boston, MA 02109

Debtor:

American Financial Group
Exchange Place
Boston, MA 02109

Judith McDonald
C. Bennett

Honorable Sidney L. Strickland, Jr.
May 27, 1994
Page 2

Debtor:

First Security Bank of Utah, National Association
79 South Main Street
Salt Lake City, UT 84111

Agent:

National Westminster Bank USA
175 Water Street
New York, NY 10038

A description of the equipment covered by the document consists of 149 100-ton 4,650 cubic foot lined covered hopper cars numbered ATSF 317500-317572, and 317574-317649, all inclusive, previously numbered KPLX 20000-20072, and 20074-20149, all inclusive, respectively.

II. The second document is an Assignment of Lease, a secondary document, dated May 27, 1994. The primary documents to which this is connected are recorded under Recordation Nos. 10398 and 10621. We request that this document be recorded under Recordation Nos. 10398-H and 10621-E.

The names and addresses of the parties to the Assignment of Lease are:

Assignor:

First Security Bank of Utah, National Association
79 South Main Street
Salt Lake City, UT 84111

Assignee:

National Westminster Bank USA
175 Water Street
New York, NY 10038

Honorable Sidney L. Strickland, Jr.
May 27, 1994
Page 3

A description of the equipment covered by the document consists of 149 100-ton 4,650 cubic foot lined covered hopper cars numbered ATSF 317500-317572, and 317574-317649, all inclusive, previously numbered KPLX 20000-20072, and 20074-20149, all inclusive, respectively.

III. The third document is a Guaranty, a secondary document, dated May 27, 1994. The primary documents to which this is connected are recorded under Recordation Nos. 10398 and 10621. We request that this document be recorded under Recordation Nos. 10398-I and 10621-F.

The names and addresses of the parties to the Guaranty are:

Guarantor:

First Security Bank of Utah, National Association
79 South Main Street
Salt Lake City, UT 84111

Agent:

National Westminster Bank USA
175 Water Street
New York, NY 10038

A description of the equipment covered by the document consists of 149 100-ton 4,650 cubic foot lined covered hopper cars numbered ATSF 317500-317572, and 317574-317649, all inclusive, previously numbered KPLX 20000-20072, and 20074-20149, all inclusive, respectively.

A fee of \$108.00 is enclosed. Please return three originals of each document to:

BALL, JANIK & NOVACK

Honorable Sidney L. Strickland, Jr.

May 27, 1994

Page 4

Louis E. Gitomer
Ball, Janik & Novack
Suite 1035
1101 Pennsylvania Avenue, N.W.
Washington, DC 20004

A short summary of the documents to appear in the index follows: (I) a Security Agreement between Investors Asset Holding Corp., Exchange Place, Boston, MA 02109, American Financial Group, Exchange Place, Boston, MA 02109, First Security Bank of Utah, National Association, 79 South Main Street, Salt Lake City, UT 84111, and National Westminster Bank USA, 175 Water Street, New York, NY 10038, covering 149 100-ton 4,650 cubic foot lined covered hopper cars numbered ATSF 317500-317572, and 317574-317649, all inclusive, previously numbered KPLX 20000-20072, and 20074-20149, all inclusive, respectively; (II) an Assignment of Lease between First Security Bank of Utah, National Association, 79 South Main Street, Salt Lake City, UT 84111, and National Westminster Bank USA, 175 Water Street, New York, NY 10038, covering 149 100-ton 4,650 cubic foot lined covered hopper cars numbered ATSF 317500-317572, and 317574-317649, all inclusive, previously numbered KPLX 20000-20072, and 20074-20149, all inclusive, respectively; and (III) a Guaranty between First Security Bank of Utah, National Association, 79 South Main Street, Salt Lake City, UT 84111, and National Westminster Bank USA, 175 Water Street, New York, NY 10038, covering 149 100-ton 4,650 cubic foot lined covered hopper cars numbered ATSF 317500-317572, and 317574-317649, all inclusive, previously numbered KPLX 20000-20072, and 20074-20149, all inclusive, respectively.

Very Truly Yours,



Louis E. Gitomer

Enclosures

MAY 27 1994 - 12 45 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

AGREEMENT, made this 27th day of May, 1994, by and among **INVESTORS ASSET HOLDING CORP.**, a Massachusetts corporation ("IAHC"), as Trustee (the "Owner Participant") under the AFG/AT&SF 1994-1 Trust (the "IAHC Trust"), created pursuant to that certain Trust Agreement dated as of May 24th, 1994 by and between American Finance Group, as Trustor, and IAHC, as Trustee (such Trust Agreement being referred to as the "IAHC Trust Agreement"); **AMERICAN FINANCE GROUP**, a Massachusetts general partnership, with an office at Exchange Place, Boston, Massachusetts 02109 ("AFG"); **FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION**, a national banking association ("First Security"), with an office at 79 South Main Street, Salt Lake City, Utah 84111, in its individual capacity only as expressly stated herein and otherwise solely as Owner Trustee (in such capacity, the "Owner Trustee") under the Koppel Inc. (1979) Equipment Trust No. 1 created May 31, 1979 (the "Railcar Trust") pursuant to the Master Trust Agreement (the "Trust Agreement") dated as of October 31, 1978 between ITEL Corporation, Equipment Finance Corporation ("ITEL"), as Trustor, and First Security, as Owner Trustee, and the Authorization and Direction under the Master Trust Agreement (the "Railcar Equipment Trust Authorization") dated as of May 15, 1979 between the Owner Participant, as assignee of Residual Based Finance Corporation (assignee of Commerce Bank of Kansas City, N.A. and Commerce Bank of St. Louis, N.A.), as Beneficiary, and the Owner Trustee (AFG, the Owner Participant and the Owner Trustee being hereinafter referred to collectively as the "Debtors" and sometimes each, individually, as a "Debtor"), and **NATIONAL WESTMINSTER BANK USA**, as agent (the "Agent") under that certain Credit Agreement dated as of October 7, 1993 (together with all amendments, supplements and modifications thereto, the "Credit Agreement") among AFG, the lenders signatory thereto (the "Lenders") and the Agent (capitalized terms used herein which are not otherwise defined herein shall have the respective meanings given thereto in the Credit Agreement).

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have made and have agreed to make, from time to time, loans (the "Loans") to AFG, such Loans being evidenced by a secured promissory note of AFG, to bridge finance the purchase of equipment to be sold to certain investment funds and for other working capital purposes, including the cost of operation and management of such funds;

WHEREAS, AFG, the Agent and certain affiliates of AFG, including the Owner Participant, have entered into a Security and Pledge Agreement dated as of October 7, 1993 pursuant to which, among other things, AFG and such affiliates granted the Agent, as security for the obligations of AFG under the Credit Agreement, a lien on all of the assets of AFG and such affiliates, including all of the beneficial interest of the Owner Participant in the Railcar Trust upon its acquisition thereof;

WHEREAS, simultaneously herewith the Owner Participant has acquired all of the beneficial interest in the Railcar Trust, which trust owns certain assets consisting of 149 100-ton 1979-built, 4,650 CF lined steel covered hopper cars (the "Railcars") bearing the numbers referred to on Schedule A hereto, and that certain Equipment Lease, dated as of May 15, 1979 (the "Lease") between the Owner Trustee and The Atchison, Topeka and Santa Fe Railway Company (the "Lessee"), successor in interest to Mitsubishi International Corporation, successor in interest to Agrex, Inc. (formerly known as Koppel Inc.);

WHEREAS, the Borrower has requested that the Lenders make a Loan to it under the Credit Agreement in the amount of \$4,562,750.00 (the "Railcar Loan"), the proceeds of which are being used to enable the Owner Participant to acquire all of the beneficial interest in the Railcar Trust;

WHEREAS, it is a condition precedent to the making of the Railcar Loan that the Owner Trustee enter into a certain Guaranty of even date herewith (the "Guaranty"), pursuant to which the Owner Trustee has guaranteed payment and performance of the Loans, including the Railcar Loan, and the other Obligations and, as security therefor, grant to the Agent as secured party a lien on and security interest in the Railcars;

WHEREAS, the undersigned have determined that it is in their best interests and in pursuit of their business purposes as an integral part of the business of AFG, the Owner Participant and their affiliates and reasonably necessary and convenient in connection with the conduct of the business conducted and proposed to be conducted by them, to induce the Lenders to extend the Railcar Loan and other credit to the Borrower under the Credit Agreement, that the credit available under the Credit Agreement will directly or indirectly inure to their benefit and that they will therefore derive direct and indirect economic benefits from the proceeds of the Loans; and

WHEREAS, the undersigned acknowledge that they have been advised by the Agent that the Lenders are unwilling to extend the Railcar Loan to the Borrower unless the undersigned execute and deliver this Security Agreement and the other agreements to be executed by the undersigned in connection herewith;

1. Definitions.

The terms equipment, fixtures, inventory, accounts, chattel paper, instruments, documents, general intangibles and proceeds shall have the respective meanings ascribed thereto in the Uniform Commercial Code as in effect in the State of New York.

2. Security Interest.

To secure the due payment and performance of all of the indebtedness, liabilities and obligations of the Debtors, and each of them, arising in connection with the Railcar Loan, and all other indebtedness, liabilities and obligations otherwise arising under the Loan Agreement, including, without limitation, all indebtedness, liabilities and obligations arising under this Security Agreement, the Guaranty and any other agreements and instruments being executed and delivered in connection herewith or therewith (collectively, the "Obligations"):

(a) the Owner Trustee hereby assigns, mortgages, pledges, hypothecates, transfers and sets over to the Agent all of its right, title and interest in, to and under, and grants a first lien upon and security interest in:

(i) that certain Equipment Lease dated as of May 15, 1979 between the Owner Trustee, as lessor, and The Atchison, Topeka and Santa Fe Railway Company (the "Lessee"), as successor in interest to Mitsubishi International Corporation, successor in interest to Agrex, Inc. (formerly known as Koppel Inc.), as lessee (such Equipment Lease being referred to as the "Equipment Lease"), including, without limitation, all of its rights under any subleases thereunder and any riders, addenda and supplements thereto, as such documents may be hereafter amended, modified or supplemented, and all of its rights to the receipt of rentals and all other amounts payable thereunder, of every kind and description, all guaranties, warranties and indemnities in respect thereof, and all of its accounts, contract rights, general intangibles and chattel paper arising thereunder;

(ii) all equipment, inventory and other property listed on Schedule A hereto (the "Other Assets"), including, but not limited to, all accessions, additions and parts thereto, all warranties and rights against manufacturers and suppliers in connection therewith, all insurance thereon and all insurance proceeds payable in connection thereon; and

(iii) all proceeds and products of the foregoing

(the items in parts (i), (ii) and (iii) being collectively referred to as the "Railcar Collateral"); and (b) the Owner Participant hereby assigns, mortgages, pledges, hypothecates, transfers and sets over to the Agent all of its right, title and interest in, to and under, and grants a first lien upon and security interest in all of the Owner Participant's right, title and interest in, to and under the First Security Trust Agreement and the Railcar Trust, and AFG hereby assigns, mortgages, pledges, hypothecates, transfers and sets over to the Agent all of its right, title and interest in, to and under, and grants a first lien upon and security interest in all of AFG's right, title and interest in, to and under the IAHC Trust Agreement and the IAHC Trust, together with all estates and

interests therein and thereto, and all rights, powers and privileges thereunder or in respect thereof, any and all payments thereunder or in respect thereof to which the Owner Participant or AFG may become entitled and all proceeds and products of the foregoing (collectively, the "Trust Collateral"; all of the items described in this paragraph 2, including the Railcar Collateral and the Trust Collateral, being hereinafter collectively referred to as the "Collateral").

3. Debtors' Title; Liens.

(a) First Security represents and warrants, in its individual capacity and as Owner Trustee, that the Owner Trustee is the sole owner of title to the Railcar Collateral to the extent conveyed thereto by the manufacturer, free and clear of any liens, claims or encumbrances (the "Liens") which result from claims against First Security in its individual capacity, and First Security has not by affirmative act, either in its individual capacity or as Owner Trustee, conveyed any interest in the Railcar Collateral to any Person or subjected the Railcar Collateral to any Lien except pursuant to the Security Documents. First Security shall, at its expense, promptly take such action as may be necessary to duly discharge any Liens on the Railcar Collateral which result from claims against the Owner Trustee in its individual capacity or which arise from actions of the Owner Trustee other than actions taken in accordance with instructions from the Owner Participant pursuant to the First Security Trust Agreement. Without limiting the foregoing, the Owner Trustee represents and warrants that there is no financing statement or other filed or recorded instrument signed by the Owner Trustee on file in any public office covering any of the Collateral, except for the financing statements or other instruments filed or to be filed in favor of the Agent pursuant to the Security Documents.

(b) The Owner Trustee represents and warrants that it is the sole owner of the Railcar Collateral and the Owner Participant represents and warrants that it is the sole owner of the Trust Collateral, in each case with good and marketable title thereto, free from any and all Liens, except for the Lien under the Security Documents and, except with respect to the Trust Collateral, the Liens described in Section 7.2(d) of the Credit Agreement.

(c) Each of the Debtors covenants and agrees that it shall not create and AFG shall not assume or permit to exist any Lien on or against the Collateral except as created by this Security Agreement. AFG shall promptly notify the Agent of any such other Lien made or asserted against the Collateral and AFG shall defend the Collateral against, and promptly take all such action as may be necessary to remove, any such Lien. AFG shall cause the Liens granted to the Agent pursuant to this Security Agreement to at all times be first priority duly perfected Liens, subject to no other Liens except, with respect to Collateral other than the Trust Collateral, those permitted under Section 7.2(d) of the Credit Agreement. Each of the Debtors and AFG represents and

warrants that no action, including any filing or recording of any document, is necessary in order to afford protection to the Agent under applicable law in connection with the creation or enforcement of its security interest hereunder or to perfect the Agent's security interest granted hereunder as a duly perfected first priority security interest in the Collateral and the proceeds thereof, other than, with respect to the Trust Collateral, the filing of Uniform Commercial Code ("UCC") financing statements with the Secretary of the Commonwealth of Massachusetts and the City Clerk of Boston and, with respect to the Railcar Collateral, the filing of UCC financing statements with the Division of Corporations and Commercial Code of Utah and the Secretary of State of Illinois, the filing of this Security Agreement and the Lease Assignment with the U.S. Interstate Commerce Commission (the "ICC").

4. Representations and Warranties with respect to Trust and Trust Collateral.

Each of the Owner Participant and AFG hereby represents and warrants as follows:

(a) Annexed hereto as Exhibit A is a true and complete copy of the First Security Trust Agreement, the Railcar Equipment Trust Authorization and the IAHC Trust Agreement. Each of the foregoing Trust Agreements and the Railcar Equipment Trust Authorization is in full force and effect and has not been amended, modified or supplemented in any manner;

(b) The Owner Participant's right, title and interest in, to and under the Railcar Trust constitutes not less than 100% of the beneficial interest in the Railcar Trust and the Railcar Trust is a duly formed and validly existing trust;

(c) AFG's right, title and interest in, to and under the IAHC Trust constitutes not less than 100% of the beneficial interest in the IAHC Trust and the IAHC Trust is a duly formed and validly existing trust;

(d) Neither AFG, nor the Owner Participant, nor anyone acting on their behalf has directly or indirectly offered an interest in the Trust Collateral for sale to, or solicited any offer to acquire the same from, any person; and

(e) The Owner Participant has performed all of its covenants and agreements under the First Security Trust Agreement and is not in default thereunder. AFG has performed all of its covenants and agreements under the IAHC Trust Agreement and is not in default thereunder.

5. Names of the Debtors.

AFG and the Owner Participant represent and warrant that, other than the names "AFG Leasing" and "AFG", they utilize no trade names in the conduct of their respective businesses. First

Security represents and warrants that it utilizes no trade names in the conduct of its business as Owner Trustee under the First Security Trust Agreement.

6. Location of Collateral and Records.

(a) Each of First Security, in its individual capacity, and AFG, the Owner Participant represents and warrants that it has and during the last four months has had no principal place of business or offices where such Debtor's books of account and records are kept regarding the Collateral except at the respective addresses to which notices to such entity (but not to its counsel) are required to be sent in accordance with Section 14 hereof.

(b) Each Debtor shall at all times maintain its records as to the Collateral and its principal place of business at the address for it described in paragraph (a) of this Section 6 and at none other. Each of the Debtors agrees that the Railcar Collateral may not be leased except pursuant to the Equipment Lease and to the Lessee, nor may it be subleased nor shall the Debtors permit the Lessee to locate or use any items of the Railcar Collateral outside of the geographical area consisting of the contiguous forty-eight states of the United States and the District of Columbia, provided, however, that the Owner Trustee shall be permitted to use the Equipment in Canada and Mexico for not more than ninety days in any twelve-month period so long as the Equipment located in Mexico shall not at any time exceed 15% of the aggregate appraised value thereof. AFG represents and warrants that a correct and complete copy of the Equipment Lease, as is in effect on the date hereof, has been delivered to the Agent. The Equipment Lease has not been amended, modified or supplemented in any respect whatsoever.

7. Further Assurances.

Each of the Debtors agrees to join with the Agent in executing one or more financing statements, collateral assignments or mortgages or other lien documents or cause to be executed and delivered to the Agent one or more financing statements pursuant to the Uniform Commercial Code or other notices or collateral assignments, mortgages or similar lien documents appropriate under applicable law in form reasonably satisfactory to the Agent, and AFG shall pay all filing or recording costs with respect thereto, and all costs of filing or recording this Security Agreement or any other instrument, agreement or document executed and delivered pursuant hereto or to the Loan Agreement (including the cost of all Federal, state or local mortgage, documentary, stamp or other taxes), in each case, in all public offices where filing or recording is deemed by the Agent to be necessary or desirable. Each Debtor hereby authorizes the Agent to take all action at the expense of AFG (including, without limitation, the filing of any Uniform Commercial Code Financing Statements or amendments thereto without the signature of such Debtor) which the Agent may deem necessary or desirable to perfect or otherwise protect the liens and security interests created hereunder and to obtain the benefits

of this Security Agreement. Without limiting the generality of the foregoing, the Debtors shall, at the expense of AFG, take and cause to be taken all such actions as the Agent may reasonably request and in order to perfect and continue the perfection of the liens and security interests granted to the Agent in the Collateral, including, without limitation, the filing of the Equipment Lease, this Security Agreement and the Lease Assignment with the ICC, and the Agent shall have the right at any time at the expense of AFG to cause the perfection of the security interests granted to the Agent in the Collateral by whatever means deemed by the Agent to be necessary, and the Debtors shall cooperate fully with the Agent in connection therewith.

8. General Covenants.

(a) AFG covenants and agrees that it shall:

(i) furnish the Agent from time to time at the Agent's request written statements and schedules further identifying and describing the Collateral in such detail as the Agent may reasonably require; and

(ii) advise the Agent promptly, in sufficient detail, of any substantial adverse change in the Collateral, and of the occurrence of any event which would have a material adverse effect on the value of the Collateral or on the Agent's security interest therein.

(b) Each of AFG and the Owner Participant, as to the Trust Collateral, and the Owner Trustee, as to the Railcar Collateral, covenants and agrees that it shall:

(i) at all times use and, with respect to the Railcar Collateral, cause the Lessee to use the Collateral for lawful purposes only, with all reasonable care and caution pursuant to the terms of the Equipment Lease;

(ii) perform and observe with respect to the Collateral all covenants, restrictions and conditions contained in the Credit Agreement providing for payment of taxes, maintenance of insurance and otherwise applicable to Eligible Equipment and Eligible Leases, as though such covenants, restrictions and conditions were fully set forth in this Security Agreement;

(iii) with respect to the Railcar Collateral, cause the Lessee to maintain and repair the Railcar Collateral as required by the terms of the Equipment Lease, and duly perform all of its obligations under the Equipment Lease and do, or cause to be done, all things necessary in order to keep each the Equipment Lease in full force and effect; and

(iv) comply or (with respect to the Railcar Collateral) cause the Lessee to comply, with all acts, rules, regulations and orders of any legislative, administrative or judicial body or official applicable to the Collateral or any part thereof or to the operation of Debtors' businesses, including, but not limited to, the Rules of Interchange of the Association of American Railroads.

(c) Each of First Security, in its individual capacity and as Owner Trustee, and the Owner Participant agrees that it shall perform its respective obligations under the First Security Trust Agreement and shall not amend, supplement or modify the same or the Railcar Equipment Trust Authorization in any manner without the prior written consent of the Agent. The Owner Participant agrees that as the sole beneficiary under the Railcar Trust it shall instruct and require the Owner Trustee to act strictly in accordance with, and not in contravention of, the provisions of this Security Agreement and the other Security Documents and its obligations hereunder. First Security, in its individual capacity and as Owner Trustee, agrees that it shall act strictly in accordance with the instructions of the Owner Participant as beneficiary of the Trust under the First Security Trust Agreement.

(d) Each of the Debtors hereby agrees that it shall not, without the prior written consent of the Agent:

(i) amend, modify or supplement the Equipment Lease or permit the amendment or modification of or supplement to the Equipment Lease and amendments and modifications to the Equipment Lease to reduce the amount of rent payable under the Equipment Lease as a result of loss, damage or destruction of any item of the Railcar Collateral, subject, however, to payment to the Agent of amounts required under Section 2.6 of the Credit Agreement, or grant any indulgence or exercise any option permitted to be exercised thereunder or waive, settle or compromise any claim against the Lessee arising thereunder or substitute any item of the Railcar Collateral subject thereto, or consent or agree to any of the foregoing;

(ii) cancel or permit the cancellation of the Equipment Lease or deliver or permit the delivery of any notice of termination thereunder, or consent or agree to any of the foregoing, except cancellation or termination of the Equipment Lease in the event that the Railcar Collateral shall be totally destroyed or substantially damaged, but only if the Agent shall have received all prepayments on the Railcar Loan as required by Section 2.6 of the Credit Agreement; or

(iii) sell, assign or otherwise dispose of any of its interest in the Collateral, or any part thereof, except if no Default or Event of Default shall exist under the Credit Agreement and (i) if such sale or other disposition is to a purchaser other than a Fund (as defined in the Credit Agreement), simultaneously with the consummation of such sale or other disposition AFG shall

repay the Railcar Loan, including all interest accrued thereon, in full and (ii) if such sale is to a Fund (and the Railcar Loan and interest thereon is not paid in full simultaneously therewith), AFG shall have given the Agent at least two Business Days' notice of such transfer and AFG, the Fund and the Owner Trustee shall have complied with the requirements of the Loan Documents, subject to any modifications of the Transferee Agreement and delivery of any other documents required to reflect the nature of the Collateral or the terms of the Railcar Loan.

9. Assignment of Insurance.

(a) The Owner Trustee shall require the Lessee to maintain insurance in scope and amount on the Railcar Collateral as required by the terms of the Equipment Lease. Each of the Debtors shall pay over to the Agent all sums it receives, whether directly or indirectly, from the Lessee which may have become payable under or in respect of any policy of insurance owned by the Lessee.

(b) The Owner Trustee shall, within thirty (30) days of the request of the Agent, deliver to the Agent certificates of the issuing companies with respect to, and endorsements of any and all policies of insurance owned by, the Lessee, covering or in any manner relating to, the Railcar Collateral, in form and substance satisfactory to the Agent, naming the Agent as loss payee and an additional insured as its interest may appear, indicating that the policy will not be terminated, or reduced in coverage or amount, without at least thirty (30) days' prior written notice from the insurer to the Agent. All sums received by the Agent under any such insurance policies shall be applied by the Agent to the Obligations or, to the extent that such sums represent unearned premiums in respect of any policy of insurance on the Collateral refunded by reason of cancellation, toward payment for similar insurance protecting the respective interests of the Debtors and the Agent, or as otherwise required by applicable law and to the extent not so applied shall be paid over to AFG.

10. Collections.

In the event of the occurrence of any Event of Default, each of the Debtors, at the request of the Agent, shall immediately cause all checks, drafts, payments under the Equipment Lease, cash or other remittances in payment of any of its accounts, contract rights or general intangibles constituting part of the Collateral, to be delivered directly to the Agent, such items to be delivered to the Agent in the same form received, endorsed or otherwise assigned by the Debtor delivering the same where necessary to permit collection of items and, regardless of the form of such endorsement, and each of the Debtors hereby waives presentment, demand, notice of dishonor, protest, notice of protest and all other notices with respect thereto. AFG shall deliver a remittance report in form supplied or approved by the Agent with each such remittance and all such remittances shall be applied and credited by the Agent first to the Obligations then due and then applied to

Obligations to become due, or as otherwise required by applicable law, and to the extent not so credited or applied, shall be paid over to AFG.

11. Rights and Remedies on Default.

(a) In the event of the occurrence of any Event of Default, the Agent shall at any time thereafter have the right, itself or through any of its agents, without notice to the Debtors, except as hereinafter provided, as to any or all of the Collateral, but subject, to the extent applicable, to the Lessee's right of quiet enjoyment, by any available judicial procedure, or without judicial process, to take possession of the Collateral and without liability for trespass to enter any premises where the Collateral may be located for the purpose of taking possession of or removing the Collateral, and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, each Debtor agrees that the Agent shall have the right to sell, lease, or otherwise dispose of all or any part of the Collateral, whether in its then condition or after further preparation or processing, either at public or private sale or at any broker's board, in lots or in bulk, for cash or for credit, with or without warranties or representations, and upon such terms and conditions, all as the Agent in its sole discretion may deem advisable, and it shall have the right to purchase at any such sale; and, if any Collateral shall require rebuilding, repairing, maintenance, preparation, or is in process or other unfinished state, the Agent shall have the right, at its option, to do such rebuilding, repairing, preparation, processing or completion of manufacturing, for the purpose of putting the Collateral in such saleable or disposable form as it shall deem appropriate. Each Debtor hereby agrees that a notice sent at least five (5) days before the time of any intended public sale or of the time after which any private sale or other disposition of the Collateral is to be made, shall be reasonable notice of such sale or other disposition. At the Agent's request, the Debtors shall assemble the Collateral and make it available to the Agent at such reasonable places as the Agent shall select. The proceeds of any such sale, lease or other disposition of the Collateral shall be applied first, to the expenses of retaking, holding, storing, processing and preparing for sale, selling, lease, leasing and the like, and to the reasonable attorneys' fees and legal expenses incurred by the Agent, and then to the Obligations, and to the payment of any other amounts required by applicable law, after which the Agent shall account to AFG for any surplus proceeds. If, upon the sale, lease or other disposition of the Collateral, the proceeds thereof are insufficient to pay all amounts to which the Agent and the Banks are legally entitled, the Debtors shall be jointly and severally liable for the deficiency, together with interest thereon, at the rate prescribed in the Credit Agreement, and the reasonable fees of any attorneys employed by the Agent to collect such deficiency; provided, however, that the foregoing shall not be deemed to require the Agent to resort to or initiate

proceedings against the Collateral prior to the collection of any such deficiency from the Debtors. To the extent permitted by applicable law, each Debtor waives all claims, damages and demands against the Agent arising out of the repossession, removal, retention or sale or lease of the Collateral.

(b) Notwithstanding anything in this Security Agreement to the contrary, the Agent shall have no recourse to any Collateral owned by a Fund or to any Collateral owned by the Owner Trustee to the extent that such Collateral or Trust Collateral shall secure Obligations of a Fund, except to the extent that a Transferee Event of Default, as defined in the Transferee Agreement executed by such Fund, shall have occurred or exist under such Transferee Agreement.

12. Costs and Expenses.

Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Agent in connection with the preparation of this Security Agreement and all other documents relating hereto and the consummation of the transactions contemplated by the Credit Agreement, the filing or recording of financing statements, this Security Agreement, the Lease Assignment, and other documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, insurance premiums, encumbrances or otherwise protecting, maintaining or preserving the Collateral, or the enforcing, foreclosing, retaking, holding, storing, processing, selling, leasing or otherwise realizing upon the Collateral and the Agent's security interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or related to the transaction to which this Security Agreement relates, shall be borne and paid by AFG on demand by the Agent and until so paid shall be added to the Obligations and shall bear interest at the Post-Default Rate.

13. Power of Attorney.

Each Debtor authorizes the Agent and does hereby make, constitute and appoint the Agent, and any officer, employee or agent of the Agent, with full power of substitution, as such Debtor's true and lawful attorney-in-fact, effective as of the date hereof, with power, in its own name or in the name of such Debtor, to endorse any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into possession of the Agent, including, without limitation, to sign and endorse any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to Collateral; to pay or discharge taxes, liens, security interests or other encumbrances at any time levied or placed on or threatened against the Collateral; to demand, collect, receipt for, compromise, settle and sue for

monies due in respect of the Collateral; to notify the Lessee and other persons obligated with respect to the Collateral to make payments directly to the Agent when permitted to do so hereunder or under the Credit Agreement; and, generally, to do, at the Agent's option and at AFG's expense, at any time, or from time to time, all acts and things which the Agent deems necessary to protect, preserve and realize upon the Equipment Lease and the other Collateral and the Agent's security interest therein in order to effect the intent of this Security Agreement and of the Credit Agreement, all as fully and effectually as such Debtor might or could do; and such Debtor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the term of this Security Agreement and thereafter as long as any of the Obligations shall be outstanding.

14. Notices.

All notices, requests and other communications pursuant to this Security Agreement shall be in writing, and shall be delivered personally, by registered or certified mail, postage prepaid, return receipt requested, or by facsimile, with electronic confirmation of receipt, addressed as follows:

(a) if to AFG or the Owner Participant, to such address as shall be provided for notice to AFG under Section 11.9(a) of the Credit Agreement;

(b) if to the Agent:

National Westminster Bank USA
175 Water Street
New York, New York 10038
Attention: Leasing Department
Facsimile #: (212) 602-2180

with a copy to:

Rogers & Wells
200 Park Avenue
New York, New York 10160
Attention: Shephard W. Melzer, Esq.
Facsimile #: (212) 878-8375

(c) if to the Owner Trustee:

First Security Bank of Utah, National
Association
79 South Main Street
Salt Lake City, Utah 84111
Attn: Corporate Trust Department
Facsimile #: (801) 246-5053

Any notice, request or communication hereunder shall be deemed to have been duly given when received, if sent by personal delivery, or five (5) Business Days after deposit with a United States Postal Depository, if sent by registered or certified mail, and when transmitted, if sent by facsimile, addressed as aforesaid. Any notice by facsimile shall be confirmed by regular first class or by registered or certified mail, sent to the address as provided above, within one (1) Business Day of transmission of such facsimile notice. Any party may change the person or address to whom or which the notices are to be given hereunder, by notice duly given hereunder; provided, however, that any such notice shall be deemed to have been given hereunder only when actually received by the party to which it is addressed.

15. Other Security.

To the extent that the Obligations are now or hereafter secured by property other than the Collateral or by the guarantee, endorsement or property of any other person, firm, corporation or other entity, then the Agent shall have the right in its sole discretion to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of the Agent's rights and remedies hereunder.

16. Miscellaneous.

(a) Beyond the safe custody thereof, the Agent shall have no duty as to the collection of any Collateral in its possession or control or in the possession or control of any agent or nominee of the Agent, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto.

(b) No course of dealing between any of the Debtors and the Agent, nor any failure to exercise, nor any delay in exercising, on the part of the Agent with respect to any right, power or privilege hereunder or under the Credit Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(c) All of the Agent's rights and remedies with respect to the Collateral, whether established hereby or by the Credit Agreement, or by any other agreements, instruments or documents or by law shall be cumulative and may be exercised singly or concurrently.

(d) The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction and shall not in

any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

(e) This Security Agreement may not be amended or modified, nor may any provision hereof be waived, except by a writing signed by the parties.

(f) The benefits and burdens of this Security Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties; provided, however, that the rights and obligations of the Debtors under this Security Agreement shall not be assigned or delegated without the prior written consent of the Agent, and any purported assignment or delegation without such consent shall be void.

(g) This Security Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York.

(h) This Security Agreement, the Guaranty, the Assignment of Lease being executed and delivered by the Owner Trustee concurrently herewith and the other documents being executed and delivered in connection with the Railcar Loan shall each constitute a Loan Document and a Security Document for purposes of the Credit Agreement.

17. Indemnity.

(a) Each Debtor jointly and severally covenants and agrees to indemnify and hold harmless the Agent, the Banks and their respective officers, directors, employees, agents, attorneys-in-fact and affiliates, from and against any and all claims, suits, losses, penalties, demands, causes of action and judgments of any nature whatsoever and all liabilities and indebtedness of any and every kind and nature now or hereafter owing, arising, due or payable, including all costs and expenses (including attorneys' fees and expenses) (all of the foregoing being herein collectively called "Liabilities"), which may be imposed on, incurred by or asserted against any of them in connection with (i) the ownership or use of any of the Collateral or the security interest of the Agent or the Banks in the Collateral, (ii) the failure on the part of either Debtor to comply and to cause the Lessee and users under the Equipment Lease to comply in all respects with the laws of the United States of America and other jurisdictions in which the Collateral or any part thereof may be operated and with all lawful acts, rules, regulations and orders of any commissions, boards or other legislative, executive, administrative or judicial bodies or officers having power to regulate or supervise any of the Collateral, and (iii) the execution, delivery, consummation, waiver, consent, amendment, enforcement, performance and administration of this Security Agreement, the Credit Agreement, the Security Documents and the other Loan Documents, or the use by the Debtors of the proceeds of each extension of credit under the

Credit Agreement; provided, however, that the Debtors shall not have any obligation with respect to Liabilities arising solely and directly from the gross negligence or willful misconduct of the Agent or any Bank.

(b) The Debtors agree, jointly and severally, to defend and pay all costs, expenses and judgments incurred by them or the Agent or any Bank in any action brought against either or both of the Debtors under the Equipment Lease or in any actions brought by the Agent pursuant to this Security Agreement whether under or pursuant to the provision of the Equipment Lease or to enforce any provisions of the Equipment Lease.

(c) The obligations of the Debtors under this Section 17 shall survive the termination of this Security Agreement.

18. Limitation of Liability.

It is expressly understood and agreed that, except for the provisions of Sections 3 (first sentence only), 5, 6(a), 7, 8(c) and 10, which shall be binding upon First Security individually and in its capacity as Owner Trustee, all agreements, representations, warranties and undertakings of the Owner Trustee under this Security Agreement shall be binding upon First Security only in its capacity as Owner Trustee under the Trust Agreement and First Security not be personally liable for or on account of, nor shall the Agent have any recourse against First Security or its assets with respect to, any statements, representations, warranties, covenants or obligations stated to be those of the Owner Trustee under this Security Agreement except that First Security (or any successor Owner Trustee) shall be personally liable for its gross negligence or willful misconduct.

Section 19. Counterparts.

This Security Agreement may be executed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Remainder of page intentionally left blank]

WITNESS the execution hereof as of the day and year first above written.

INVESTORS ASSET HOLDING CORP.,
in its capacity as Owner Trustee
under the IAHC Trust Agreement

By: _____

Title

Treasurer

FIRST SECURITY OF UTAH, NATIONAL
ASSOCIATION, in its individual
capacity only as expressly set
forth herein, and otherwise
solely as Owner Trustee under the
First Security Trust Agreement

By: _____

Title

AMERICAN FINANCE GROUP

By: _____

Title

Treasurer

NATIONAL WESTMINSTER BANK USA

By: _____

Title

WITNESS the execution hereof as of the day and year first above written.

INVESTORS ASSET HOLDING CORP., in its capacity as Trustee under the IAHC Trust Agreement

By: _____
Title

AMERICAN FINANCE GROUP

By: _____
Title

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, in its individual capacity, only as expressly set forth herein, and otherwise solely as Owner Trustee under the Trust Agreement

By: McClay _____
Title Asst. Vice President

NATIONAL WESTMINSTER BANK USA,

By: _____
Title

WITNESS the execution hereof as of the day and year first above written.

INVESTORS ASSET HOLDING CORP.,
in its capacity as Owner Trustee
under the IAHC Trust Agreement

By: _____
Title

FIRST SECURITY OF UTAH, NATIONAL
ASSOCIATION, in its individual
capacity only as expressly set
forth herein, and otherwise
solely as Owner Trustee under the
First Security Trust Agreement

By: _____
Title

AMERICAN FINANCE GROUP

By: _____
Title

NATIONAL WESTMINSTER BANK USA

By: Harun C Mehn
Title
VICE PRESIDENT

COMMONWEALTH OF MASSACHUSETTS)

) ss.:

COUNTY OF SUFFOLK ,)

On the 13th day of May, 1994, before me personally came D.R. Dugan, to me known, who, being by me duly sworn, did depose and say: that he is the Vice President and Treasurer of INVESTORS ASSET HOLDING CORP. a Massachusetts general partnership described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Executive Committee of said partnership.

Maureen A. Madder
Notary Public

My Commission Expires 9/22/2000

COMMONWEALTH OF MASSACHUSETTS)

) ss.:

COUNTY OF SUFFOLK ,)

On the 13th day of May, 1994, before me personally came D.R. Dugan, to me known, who, being by me duly sworn, did depose and say: that he is the Vice President and Treasurer of AMERICAN FINANCE GROUP, a Massachusetts general partnership described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Executive Committee of said partnership.

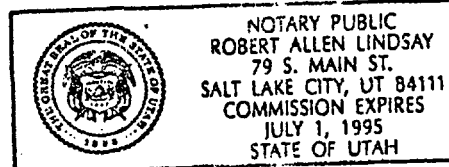
Maureen O'Madden
Notary Public

My Commission Expires 9/22/2000

STATE OF UTAH)
) SS.:
COUNTY OF SALT LAKE)

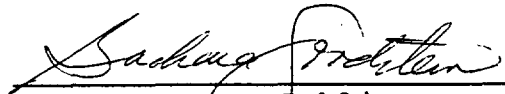
On the 27th day of May, 199⁴7, before me personally came
Tanta Lisa Clayton, to me known, who, being by me duly sworn, did
depose and say: that he/she is a Asst. Vice President of FIRST
SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, a national banking
association described in and which executed the foregoing
instrument as Owner Trustee; and that he/she signed his/her name
thereto by order of the Board of Directors of said corporation.


Notary Public



STATE OF New York)
) ss.:
COUNTY OF New York)

On the 12th day of May, 1994, before me personally came Harris C. Mehos, to me known, who, being by me duly sworn, did depose and say: that he is a Vice President of NATIONAL WESTMINSTER BANK USA, a national banking association described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.


Notary Public

BARBARA GOODSTEIN
Notary Public, State of New York
No. 4651339
Qualified in Westchester County
Term Expires March 30, 1995

SCHEDULE A TO SECURITY AGREEMENT AMONG INVESTORS ASSET
HOLDING CORP., AS TRUSTEE, AMERICAN FINANCE GROUP, FIRST
SECURITY BANK OF UTAH, N.A., AS OWNER TRUSTEE, AND
NATIONAL WESTMINSTER BANK USA

DESCRIPTION OF ITEMS OF EQUIPMENT

Description, Mark and
Number of Units of
Equipment

149 100-ton, 4,650 cubic foot
lined covered hopper cars
manufactured by Marine Industries
Limitee in 1979, bearing the
following numbers and car marks:

Old Numbers:

KPLX numbers 20000 through 20149,
inclusive, (but excluding number
20073);

New Numbers:

(and new marks ATSF 317500-317649,
inclusive (but excluding number
317573)).

Sec. 8-

Re:
Transfer

Exhibit A

MASTER TRUST AGREEMENT

Dated as of October 31, 1978

between

ITEL CORPORATION, EQUIPMENT FINANCE DIVISION,
acting as Trustor and Agent in the execution
of this Master Trust Agreement,
as Trustor and as Agent

and

FIRST SECURITY BANK OF UTAH, N.A.
as Owner Trustee

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
Owner Trustee's Authorizations and Directions	
Section 1.1	Authorization of Indenture 1
Section 1.2	Authorization to Create Trust and to Receive Funds and to Execute Certain Documents 2
Section 1.3	Conditions Precedent to Owner Trustee's Obligation and Authority. 3

ARTICLE II

Declaration of Trusts

Section 2.1	Declaration of Trusts. 4
-------------	----------------------------------

ARTICLE III

Related Beneficiary's Agreements

Section 3.1	Rights of Related Beneficiary Subordinate to Rights of Trustee. 4
Section 3.2	Payment to Owner Trustee of Amounts Required by Related Participation Agreement 5
Section 3.3	Indemnification of Owner Trustee; Owner Trustee's Lien on Related Trust Estate. 5
Section 3.4	Payment of Certain Owner Trustee's Fees, Costs and Expenses. 6
Section 3.5	Preparation of Tax Returns and Other Reports 6
Section 3.6	Payment to Owner Trustee of Amounts Required for Brokerage Fees. 6

TABLE OF CONTENTS (Continued)

Page

ARTICLE
IV

Owner Trustee's Agreements

Section 4.1	Execution and Delivery of Documents and Performance of Obligations.	7
Section 4.2	Receipt of Funds Under Section 1.2 (a) to Be Held in Trust	7
Section 4.3	Receipt of Funds Under Section 3.2 and Application Thereof	7
Section 4.4	Receipt of Funds Pursuant to Related Lease or Otherwise and Distribution Thereof.	7
Section 4.5	Obligations in Connection with Event of Default Under Related Lease	8
Section 4.6	Take Certain Action Upon Specific Instructions . . .	9
Section 4.7	Limitation of Owner Trustee's Responsibilities . . .	9
Section 4.8	Management of Each Related Trust Estate.	10

ARTICLE
V

Concerning the Owner Trustee

Section 5.1	Standard of Care	10
Section 5.2	No Duties of Maintenance, Etc.	10
Section 5.3	Representations and Warranties	11
Section 5.4	Reliance on Writings, Use of Agents, Etc.	12

TABLE OF CONTENTS (Continued)

Page

ARTICLE

VI

Effect of Sales by Owner Trustee

Section 6.1	Effect of Sales by Owner Trustee.	12
-------------	---	----

ARTICLE

VII

Resignation and Removal of Owner Trustee;
Appointment of Successors

Section 7.1	Resignation; Successor Owner Trustee	13
Section 7.2	Acceptance of Appointment	13
Section 7.3	Qualification of Successor Owner Trustee.	14
Section 7.4	Merger of Owner Trustee	14
Section 7.5	Status of Successor Owner Trustee	14
Section 7.6	Multiple Related Beneficiaries; Separability of Trusts.	14
Section 7.7	Appointment of Co-Trustees and Separate Trustees. .	14

ARTICLE

VIII

Transfer of a Related Beneficiary's Interest

Section 8.1	Restrictions on Transfer or Assignment.	16
Section 8.2	Notice of Transfer.	17

TABLE OF CONTENTS (Continued)

Page

ARTICLE
IX

Duration and Termination of and Amendment to Trust

Section 9.1	Duration	17
Section 9.2	Termination.	17
Section 9.3	Distribution of a Related Trust Estate Upon Termination	17
Section 9.4	Supplements and Amendments to This Master Trust Agreement and Other Documents	18

ARTICLE
X

Compensation, Costs and Expenses of Owner Trustee

Section 10.1	Compensation, Costs and Expenses of Owner Trustee. .	18
--------------	--	----

ARTICLE
XI

Appointment of Agent

Section 11.1	Appointment.	19
Section 11.2	Acceptance of Agency	19
Section 11.3	Resignation or Removal of Agent.	19

ARTICLE
XII

Miscellaneous

Section 12.1	Entire Agreement	20
--------------	----------------------------	----

TABLE OF CONTENTS (Continued)

	<u>Page</u>
ARTICLE XII: Miscellaneous (continued)	
Section 12.2 Notices	20
Section 12.3 Situs of Trust; Governing Law	20
Section 12.4 Non-Segregation of Moneys	20
Section 12.5 Separate Trusts	20
Section 12.6 Benefit of Parties, Successors and Assigns	21
Section 12.7 Survival of Representations and Warranties	21
Section 12.8 Severability of Invalid Provisions	21
Section 12.9 Effect of Waiver	21
Section 12.10 Remedies Not Exclusive	21
Section 12.11 References to Agreements and Instruments	21
Section 12.12 Headings and Table of Contents	22
Section 12.13 Construction of References	22
Section 12.14 Counterpart Execution	22

MASTER TRUST AGREEMENT

THIS MASTER TRUST AGREEMENT dated as of October 31, 1978 between ITEL CORPORATION, EQUIPMENT FINANCE DIVISION, a Delaware corporation, as trustor (the Trustor) and agent (the Agent) in the execution hereof, and FIRST SECURITY BANK OF UTAH, N.A., a national banking association (the Owner Trustee).

W I T N E S S E T H :

WHEREAS, the Trustor desires to create pursuant hereto an arrangement whereby separate trusts may be created from time to time by institutional investors for the purposes of acquiring certain equipment and leasing such equipment to various lessees in separate and distinct transactions;

WHEREAS, each such separate trust is to be created pursuant to a separate Authorization and Direction referred to below;

WHEREAS, the Owner Trustee desires to appoint the Agent as its agent hereunder and the Agent is willing to accept such appointment; and

WHEREAS, the Owner Trustee is willing to accept the duties and obligations imposed hereby on the terms and conditions set forth herein and, subject to Section 1.3(a) of this Master Trust Agreement, in any Authorization and Direction.

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

OWNER TRUSTEE'S AUTHORIZATIONS AND DIRECTIONS

SECTION 1.1. Authorization of Indenture. The Trustor hereby authorizes and directs the Owner Trustee to execute and deliver the Trust Indenture dated as of October 31, 1978 (the Indenture) between the Owner Trustee and United States Trust Company of New York, a New York corporation as trustee thereunder (the Trustee), in the form heretofore submitted to and approved by the Trustor.

SECTION 1.2. Authorization to Create Trust and to Receive Funds and to Execute Certain Documents. Upon receipt by the Owner Trustee from time to time of an Authorization and Direction substantially in the form of Exhibit A hereto (the Authorization and Direction) executed by the Trustor and each "Related Beneficiary" named on the signature page thereof (a Related Beneficiary), which Authorization and Direction shall be identified by the date thereof and by the designation of the trust (the Trust) created thereby, the Owner Trustee shall be authorized and directed:

(a) to receive any funds transmitted by or on behalf of each Related Beneficiary concurrent with the delivery of such Authorization and Direction and to hold such funds in trust under the terms and conditions of this Master Agreement; and

(b) if so indicated in such Authorization and Direction,

(1) to execute and deliver the Participation Agreement (the Related Participation Agreement) identified in such Authorization and Direction by reference to the date thereof;

(2) to execute and deliver a supplement to the Indenture insofar as it relates to the Supplemental Indenture created thereby (the Related Supplement) identified in such Authorization and Direction by reference to the designation of the Related Supplement;

(3) to execute and deliver as lessor the Equipment Lease (the Related Lease) identified in such Authorization and Direction by reference to the date thereof;

(4) to accept delivery from time to time of such portion of the Leased Equipment, as such term is defined in the Related Lease (the Leased Equipment), comprising the Group or Groups of Equipment identified in such Authorization and Direction by executing and delivering through a representative, who shall be an employee or authorized agent of the Lessee under the Related Lease (the Related Lessee) unless otherwise directed in the Authorization and Direction, a Certificate of Acceptance, as such terms are defined in the Related Lease;

(5) on any Closing Date, as such term is defined in the Related Participation Agreement (a Closing Date), to execute and deliver promissory notes of such Trust of the series designated in the Related Supplement (the Related Notes) substantially in the form set forth in the Indenture with the blanks therein completed in accordance with the terms and provisions of the Related Supplement and in a principal amount determined under and in accordance with the Related Participation Agreement;

(6) to execute and deliver, or to accept, each document referred to in the Indenture, as implemented by the Related Supplement, and the Related Participation Agreement and required under the terms thereof to consummate the transactions contemplated thereby on a Closing Date thereunder;

(7) to execute and deliver the documents (the Related Purchase Documents) necessary to purchase the Leased Equipment from the manufacturer(s) or seller(s) thereof;

(8) upon receipt of the proceeds, if any, of the Related Notes, to cause the Trustee to pay to the manufacturer(s) or seller(s) of the Leased Equipment under the Related Purchase Documents an amount equal to the Lessor's Cost thereof, as such term is defined in the Related Lease; and

(9) subject to the terms of this Master Trust Agreement, to exercise all of the rights and perform all the obligations of the purchaser under the Related Purchase Documents, of the Lessor under the Related Lease and of the borrower under the Related Participation Agreement and the Indenture, as implemented by the Related Supplement; and

(c) to take such other action in connection with any of the foregoing as the Related Beneficiaries may from time to time direct.

SECTION 1.3. Conditions Precedent to Owner Trustee's Obligation and Authority. (a) The obligation of the Owner Trustee to act pursuant to any Authorization and Direction shall be subject to the condition precedent that, prior to its execution of any Related Participation Agreement, Related Supplement or Related Lease identified in any such Authorization and Direction, the Owner Trustee shall have reasonably determined that the Related Participation Agreement, the Related Purchase Documents, the Related Supplement and the Related Lease are in form and substance satisfactory to the Owner Trustee and that the Owner Trustee agrees to participate with the named parties thereto (any such determination to the contrary to be communicated in writing to the Trustor and each Related Beneficiary).

(b) The obligation and authority of the Owner Trustee to take the actions referred to in clauses (5), (8) and (9) (with respect to the rights and obligations of the borrower under the Related Participation Agreement and the Indenture, as implemented by the Related Supplement) of paragraph (b) of Section 1.2 with respect to any Closing Date shall be subject to the conditions precedent that

(1) on such Closing Date each Related Beneficiary shall have furnished or caused to be furnished to the Trustee, for the account of the Owner Trustee, an amount in funds immediately available at the place of receipt which such Related Beneficiary shall be required to advance to the Owner Trustee on such Closing Date as such Related Beneficiary's investment in the Leased Equipment pursuant to the Related Participation Agreement; and

(2) the conditions set forth in the Related Participation Agreement and in the Indenture, as implemented by the Related Supplement, with respect to such Closing Date shall have been complied with in a manner satisfactory to such Related Beneficiary, the furnishing by, or on behalf of, a Related Beneficiary to the Trustee, for the account of the Owner Trustee, of the amount referred to in clause (1) hereof constituting, without further action by such Related Beneficiary, conclusive evidence, as between such Related Beneficiary and the Owner Trustee that such conditions have been complied with in such manner.

ARTICLE II

DECLARATION OF TRUSTS

SECTION 2.1. Declaration of Trusts. The Owner Trustee hereby declares with respect to each Authorization and Direction, that it will hold all estate, right, title and interest of the Owner Trustee in and to the Leased Equipment and any funds transmitted to the Owner Trustee pursuant to such Authorization and Direction, the Related Participation Agreement, the Related Lease, the Related Purchase Documents and the Related Supplement, including, without limitation, all amounts of rent, insurance proceeds, indemnity and other payments of any kind for or with respect to such Leased Equipment (other than any indemnities to which the Owner Trustee, individually, is entitled pursuant to the Related Lease or the Related Participation Agreement), upon the trusts hereinafter set forth (all such estate, right, title and interest being herein sometimes called, with respect to each Authorization and Direction, the Related Trust Estate) for the use and benefit of each Related Beneficiary, subject, however, to the terms and conditions hereof, of the Indenture, as implemented by the Related Supplement, of the Related Lease and of all other documents referred to herein and therein and the rights of others hereunder and thereunder.

ARTICLE III

RELATED BENEFICIARY'S AGREEMENTS

Each Related Beneficiary, by its execution and delivery of an Authorization and Direction, shall be deemed to have agreed with respect to the creation of a Trust, as follows:

SECTION 3.1. Rights of Related Beneficiary Subordinate to Rights of Trustee. Such Related Beneficiary acknowledges that its rights under this Master Trust Agreement and its beneficial interest in such Trust and the Related Trust Estate created by such Authorization and Direction, directly or indirectly, shall be subject and subordinate to the rights of the Trustee, as secured party under the Indenture, as implemented by the Related Supplement.

Section 3.2. Payment to Owner Trustee of Amounts Required by Related Participation Agreement. Such Related Beneficiary shall, upon the fulfillment of the conditions set forth in the Related Participation Agreement, make available, or cause to be made available, to the Trustee, for the account of the Owner Trustee, on each Closing Date funds in the amount determined in accordance with the Related Participation Agreement.

Section 3.3. Indemnification of Owner Trustee; Owner Trustee's Lien on Related Trust Estate. Such Related Beneficiary shall assume liability for, and shall indemnify and hold harmless the Owner Trustee (including any co-trustee or separate trustee appointed pursuant to Section 7.7 hereof), the Trustee, as assignee and secured party, and their successors, assigns, agents and personal representatives (each person being herein referred to as an indemnified person) from and against any and all liabilities, obligations, losses, damages, penalties, taxes (other than any income taxes on fees or other compensation received by the Owner Trustee or the Trustee for serving as trustees), claims (including, without limitation, claims involving strict or absolute liability in tort), actions, suits, costs, expenses and disbursements (including, without limitation, legal fees and expenses) of any kind and nature whatsoever (hereinafter referred to as claims) which may be imposed on, incurred by or asserted against any indemnified person, whether or not also indemnified against by the Related Lessee, by any manufacturer (or seller) of the Leased Equipment or by any other person, in any way relating to or arising out of this Master Trust Agreement (to the extent, but only to the extent, that the terms and provisions of this Master Trust Agreement related to such Trust), such Trust created by such Authorization and Direction, the Related Participation Agreement, the Related Supplement or the Related Lease or any document contemplated hereby or thereby, or the performance or enforcement of any of the items hereof or thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, sublease, possession, use, operation, maintenance, condition, sale, return, storage or other disposition of the Leased Equipment or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable, and any claim for patent or trademark infringement), or in any way relating to or arising out of the administration of such Trust and the Related Trust Estate or the action or inaction of any indemnified person hereunder and under such Authorization and Direction, provided, however, that such Related Beneficiary shall not be required to indemnify any indemnified person for any claims resulting from acts which would constitute the willful misconduct or gross negligence of such indemnified person, but (except as set forth in clause (3) of paragraph (b) of Section 7.7) the willful misconduct or gross negligence of any one indemnified person shall not affect the rights of any other indemnified person hereunder, and provided further, that such Related Beneficiary shall not be required to indemnify the Owner Trustee with respect to claims resulting from (a) any representation or warranty of the Owner Trustee contained herein proving to be untrue or inaccurate; (b) any representation or warranty of the Owner Trustee made in its individual capacity and contained

in the Related Participation Agreement proving to be untrue or inaccurate; (c) (i) the failure of the Owner Trustee to be a banking institution duly organized, validly existing and in good standing under the laws of the United States or the state of its organization, (ii) the execution and delivery of this Master Trust Agreement or any other document in connection with the transactions contemplated hereby being in contravention of any indenture or agreement to which the Owner Trustee is a party or by which it is bound or (iii) the Owner Trustee not having the corporate power and authority to enter into and carry out the terms of this Master Trust Agreement or any other document executed by the Owner Trustee in connection with the transactions contemplated hereby; and (d) any matter for which the Owner Trustee is personally liable pursuant to Section 5.1 hereof. The indemnities contained in this Section shall survive the termination of this Master Trust Agreement and of the Trust created by such Authorization and Direction and such indemnities are expressly made for the benefit of, and shall be enforceable by, each indemnified person notwithstanding the fact that such indemnified person is no longer a party to this Master Trust Agreement or was not a party to this Master Trust Agreement on the date of the execution hereof. To secure the foregoing indemnities by such Related Beneficiary, the Owner Trustee shall, to the extent not reimbursed by the Related Lessee under the Related Lease, any manufacturer of the Leased Equipment, any other Related Beneficiary or any other person, have a lien on the Related Trust Estate prior to any interest therein of the Related Beneficiaries.

SECTION 3.4. Payment of Certain Owner Trustee's Fees, Costs and Expenses. Such Related Beneficiary shall (i) make available to the Owner Trustee sufficient funds, not otherwise available, for the payment of sums required pursuant to Article X, (ii) pay to the Owner Trustee such fees as may be reasonably charged, and such costs and expenses as may be reasonably incurred, by the Owner Trustee in consequence of any direction of such Related Beneficiary given to the Owner Trustee pursuant to paragraph (c) of Section 1.2, and (iii) pay to the Owner Trustee such fees as may be reasonably charged, and such costs and expenses as may be reasonably incurred, in consequence of the Owner Trustee rendering extraordinary services or incurring extraordinary costs and expenses, including, without limitation, services rendered and costs and expenses incurred in connection with any Related Event of Default, as defined in the Indenture (as implemented by the Related Supplement), and/or any Event of Default, as defined in the Related Lease, and with respect to such fees, costs and expenses, the Owner Trustee shall have a lien on the Related Trust Estate prior to any interest therein of the Related Beneficiaries.

SECTION 3.5. Preparation of Tax Returns and Other Reports. Such Related Beneficiary shall in conjunction with any other Related Beneficiaries prepare or cause to be prepared, and may direct the Owner Trustee to file all tax returns and other governmental reports required to be filed by the Owner Trustee in connection with the transactions contemplated hereby and by such Authorization and Direction.

SECTION 3.6. Payment to Owner Trustee of Amounts Required for Brokerage Fees. Such Related Beneficiary shall, except as provided in the

immediately following sentence, make available to the Owner Trustee sufficient sums as shall be necessary for the Owner Trustee to pay to ITEL Corporation, Equipment Finance Division the latter's brokerage fees charged to the Trust for arranging the financing of the Leased Equipment, and upon receipt the Owner Trustee shall pay such brokerage fees. Such payments may be made directly to ITEL Corporation, Equipment Finance Division by such Related Beneficiary; in such case, however, said payments shall be deemed a payment provided for herein to be made by such Related Beneficiary and to have been made thereto on behalf of and for the account of the Trust.

ARTICLE IV

OWNER TRUSTEE'S AGREEMENTS

The Owner Trustee hereby agrees with respect to each Trust created by an Authorization and Direction as follows:

SECTION 4.1. Execution and Delivery of Documents and Performance of Obligations. The Owner Trustee shall accept or execute and shall deliver the documents referred to in Article I hereof, in any other Article hereof, or in any directive of the Related Beneficiaries given pursuant hereto and shall perform with respect to such Trust all the obligations and duties of the Owner Trustee hereunder and thereunder.

SECTION 4.2. Receipt of Funds Under Section 1.2(a) to Be Held in Trust. With respect to such Authorization and Direction, if such Authorization and Direction so provides, the Owner Trustee shall receive the funds paid to the Owner Trustee by the Related Beneficiaries pursuant to paragraph (a) of Section 1.2 and hold such funds subject to the trusts created hereby and by such Authorization and Direction.

SECTION 4.3. Receipt of Funds Under Section 3.2 and Application Thereof. With respect to such Authorization and Direction, the Owner Trustee shall receive any amounts paid to the Owner Trustee by, or on behalf of, the Related Beneficiaries pursuant to Section 3.2 and shall apply such amounts to the payment on the Closing Dates referred to therein of the amounts prescribed in clause (8) of paragraph (b) of Section 1.2.

SECTION 4.4. Receipt of Funds Pursuant to Related Lease or Otherwise and Distribution Thereof. With respect to such Trust, the Owner Trustee shall receive all amounts paid to the Owner Trustee pursuant to the terms of the Related Lease, any and all proceeds (including insurance proceeds) of the sale, re-lease or other disposition of the Leased Equipment, and all other amounts paid to the Owner Trustee under this Master Trust Agreement and such Authorization and Direction and the other documents referred to herein and therein, and shall distribute such amounts, first, to payment to the Owner Trustee for any amounts, including fees, expenses, costs or liabilities incurred, for which the Owner Trustee is

entitled to payment, reimbursement or indemnity from the Related Beneficiaries and for which the Owner Trustee has not been paid or reimbursed from any other source, and, second, to the payment of the entire balance to the Related Beneficiaries; provided, however, that all rights, privileges and duties to the Owner Trustee to receive and distribute amounts received pursuant to the foregoing are subject to the rights of the holders of the Related Notes issued under the Related Supplement and from time to time outstanding and of the Trustee, as secured party under the Indenture, as implemented by the Related Supplement, to collect, receive and apply such amounts to the indebtedness evidenced by such Related Notes and the security interests provided by the Indenture, as implemented by the Related Supplement. If there is more than one Related Beneficiary of the Trust, profits, losses, deductions and credits shall, to the extent permitted by law, be allocated among the Related Beneficiaries in proportion to their respective interests in the Related Trust Estate, as set forth in the Authorization and Direction, and the Authorization and Direction may, to the extent permitted by law, separately allocate such profits, losses, deductions and credits attributable to ITEL Corporation, Equipment Finance Division's brokerage fees charged to the Trust for arranging the financing of the Leased Equipment. Notwithstanding anything to the contrary herein contained, however, it is agreed that the Owner Trustee shall not be obligated to make any distribution until the funds for such distribution have been received by the Owner Trustee in cash or other immediately available funds.

SECTION 4.5. Obligations in Connection with Event of Default Under Related Lease. In the event the Owner Trustee shall have knowledge of a Default or an Event of Default under the Related Lease (as such terms are defined in such Related Lease), the Owner Trustee promptly shall give written notice of such Default or Event of Default to each Related Beneficiary and the Trustee by certified first class registered or certified postage prepaid mail unless such Default or Event of Default shall have been remedied before the giving of such notice. Subject to the terms of Section 4.7, the Owner Trustee shall take such action, or refrain from taking such action, with respect to such Default or Event of Default as the Owner Trustee shall be directed in writing by the Related Beneficiaries. If the Owner Trustee shall not have received instructions as above provided within 20 days after mailing notice of such Default or Event of Default to the Related Beneficiaries, the Owner Trustee may, subject to instructions thereafter received pursuant to the preceding sentence, take such action, or refrain from taking such action, but shall be under no duty to take or refrain from taking any action, with respect to such Default or Event of Default as it shall deem advisable in the best interest of the Related Beneficiaries. For all purposes of this Master Trust Agreement, in the absence of actual knowledge, the Owner Trustee shall not be deemed to have knowledge of a Default or an Event of Default unless notified in writing by one or more of the Related Beneficiaries, except that if the Owner Trustee shall be receiving and disbursing funds with respect to a Related Lease, the Owner Trustee shall be deemed to have knowledge of a Default or an Event of Default upon the failure of the Related Lessee to pay any installment of Basic Rent (as defined in the

Related Lease) within 15 days after the same shall have become due. For purposes of this Master Trust Agreement, the Owner Trustee shall be deemed to have actual knowledge of a Default or an Event of Default if the same is known by an officer or employee in the trust division, corporate trust department, of the Owner Trustee, including, without limitation, a trust administrator or any other officer of the Owner Trustee customarily performing functions similar to those performed by officers associated with such trust department, corporate trust division.

SECTION 4.6. Certain Action Upon Specific Instructions. Subject to the terms of Section 4.7 and upon the written instruction at any time and from time to time of the Related Beneficiaries, the Owner Trustee shall take such of the following actions as may be specified in such instructions:

(a) give such notice or direction or exercise such right, remedy or power under the Related Lease or in respect of the Related Trust Estate as shall be specified in such instructions or take such other action (including, without limitation, such action to preserve or protect the Related Trust Estate, including the discharge of liens or encumbrances, as the Related Lessee shall not be required to take in accordance with the terms of the Related Lease) as shall be specified in such instructions;

(b) approve as satisfactory to the Owner Trustee or consent to all matters required by the terms of the Related Lease and other documents referred to herein to be satisfactory to the Owner Trustee or consented to by the Owner Trustee, and

(c) after the expiration or earlier termination of the Related Lease as to all or part of the Leased Equipment, convey (subject to the lien, if any, of the Indenture, as implemented by the Related Supplement), at the expense of the Related Beneficiaries, all of the Owner Trustee's right, title and interest in and to such Leased Equipment for such amount or on such terms and to such purchaser or purchasers as shall be designated in such instructions or lease or otherwise dispose of such Leased Equipment theretofore subject to the Related Lease on such terms as shall be designated in such instructions.

SECTION 4.7. Limitation of Owner Trustee's Responsibilities. The Owner Trustee shall not be required to take any action with respect to a particular Trust under Section 4.5 or 4.6 unless the Owner Trustee shall have been indemnified by the Related Beneficiaries in manner and form satisfactory to the Owner Trustee against any liability, cost or expense (including reasonable counsel fees) which may be incurred in connection with such action. The Owner Trustee shall not be required to take any action under Section 4.5 or 4.6, nor shall any other provisions of this Master Trust Agreement be deemed to impose a duty on the Owner Trustee to take any action, if the Owner Trustee shall have been advised by counsel that such action with respect to a particular Trust shall be contrary to the

terms of the Related Participation Agreement, the Related Lease, the Indenture, as implemented by the Related Supplement, or the Related Purchase Documents, if any, or shall otherwise be contrary to law.

SECTION 4.8. Management of Each Related Trust Estate. (a) The Owner Trustee shall have no duty or obligation with respect to a particular Trust to manage, control, use, sell, operate, store, lease, dispose of or otherwise deal with the Leased Equipment subject to the Related Lease or any other part of the Related Trust Estate or otherwise to take or refrain from taking any action under or in connection with the Related Lease or any other document or any other action with respect to such Leased Equipment except as expressly provided by the terms of this Master Trust Agreement and the Authorization and Direction creating such Trust, or as expressly provided in written instructions from each Related Beneficiary and no implied duties or obligations shall be read into this Master Trust Agreement against the Owner Trustee. The Owner Trustee nevertheless agrees in its own capacity and not in its capacity as Owner Trustee and at its own cost and expense, promptly to take such action as may be necessary with respect to a particular Trust to discharge any liens and encumbrances on any part of the Related Trust Estate resulting from claims against the Owner Trustee not related to its ownership of the Leased Equipment or the administration of the Related Trust Estate.

(b) The Owner Trustee agrees with respect to each Trust that it will not manage, control, use, sell, dispose of or otherwise deal with the Leased Equipment subject to the Related Lease or any other part of the Related Trust Estate except (i) as required by the terms of the Related Participation Agreement, the Related Lease, the Related Assignment, if any, the Indenture, as implemented by the Related Supplement, or the Related Purchase Documents, if any, (ii) in accordance with the powers granted to or the authority conferred on the Owner Trustee pursuant to this Master Trust Agreement and the Authorization and Direction creating such Trust, or (iii) in accordance with written instructions from each Related Beneficiary.

ARTICLE V

CONCERNING THE OWNER TRUSTEE

SECTION 5.1. Standard of Care. The Owner Trustee accepts the trusts hereby created and agrees to perform the same but only upon the terms of this Master Trust Agreement and the Authorization and Direction creating a particular Trust. The Owner Trustee shall not be answerable or accountable to the Trustor or the Related Beneficiaries under any circumstances except for its own willful misconduct or gross negligence and except that insofar as in performing its undertakings set forth in this Master Trust Agreement the Owner Trustee actually receives funds and insofar as the Owner Trustee receives express written instructions from a Related Beneficiary, it shall be held to the same degree of care and skill

in handling such funds and in complying with such instructions as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

SECTION 5.2. No Duties of Maintenance, etc. Except in accordance with written instructions furnished by each Related Beneficiary or except as otherwise provided in paragraph (a) of Section 4.8, the Owner Trustee shall have no duty with respect to a particular Trust (i) to see to any recording or filing of this Master Trust Agreement, any instrument or document described in this Master Trust Agreement or any security interest or lien or to see to the maintenance of any such documentation, recording or filing, (ii) to see to any insurance on the Leased Equipment or any other part of the Related Trust Estate or to effect or maintain any such insurance, whether or not any Related Lessee shall be in default with respect to the Related Lease, other than to receive and hold any policies, cover notes or binders furnished the Owner Trustee by such Related Lessee pursuant to the Related Lease, (iii) to see to the payment or discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of any Related Trust Estate or to make or file any reports or returns related thereto, (iv) to confirm, verify or inquire into the failure of the Related Lessee to send any reports or financial statements of such Related Lessee, (v) to inspect the Leased Equipment at any time or ascertain or inquire as to the performance or observance of any Related Lessee's covenants under the Related Participation Agreement or the Related Lease with respect to such Leased Equipment or (vi) to approve as satisfactory to it or consent to any matter required by the terms of the Related Participation Agreement, the Related Assignment, if any, the Indenture, as implemented by the Related Supplement, or the Related Purchase Documents or of any other instrument or document executed and delivered by the Owner Trustee pursuant to Article I to be satisfactory to the Owner Trustee or consented to by the Owner Trustee.

SECTION 5.3. Representations and Warranties. THE OWNER TRUSTEE MAKES (a) NO REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITION, MERCHANTABILITY OR FITNESS FOR USE OF ANY LEASED EQUIPMENT OR AS TO ITS TITLE THERETO, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO ANY LEASED EQUIPMENT WHATSOEVER except that the Owner Trustee hereby represents and warrants to each Related Beneficiary that (i) on or before the date of acceptance of each Item of Leased Equipment as set forth in the Certificate of Acceptance executed and delivered with respect thereto the Owner Trustee shall have received whatever title was conveyed to it by the manufacturer or seller of such Item of Leased Equipment referred to therein and (ii) such Leased Equipment shall at all times be free of liens and encumbrances resulting from claims against the Owner Trustee not related to its ownership of such Leased Equipment or the administration of the Related Trust Estate, and (b) no representation or warranty as to the validity, legality or enforceability of this Master Trust Agreement or any of the instruments or documents described herein or as to the correctness of any statement contained in any thereof or the due creation or perfection of any

lien or security interest purported to be created by any thereof, except that the Owner Trustee hereby represents and warrants to each related Beneficiary that this Master Trust Agreement and each document described in Article I hereof to be entered into or accepted by the Owner Trustee has been, or will be, executed and delivered by one of its officers who is, or at the time of execution and delivery was or will be, duly authorized to execute and deliver such documents on its behalf.

SECTION 5.4. Reliance on Writings, Use of Agents, etc. The Owner Trustee shall not incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, telegram, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed or sent by the proper party or parties. The Owner Trustee may accept a copy of a resolution of the Board of Directors or the Executive Committee, if any, of any Related Lessee or any Related Beneficiary, certified by the Secretary or an Assistant Secretary of any such Related Lessee or any such Related Beneficiary as duly adopted and in full force and effect, as conclusive evidence that such resolution has been duly adopted by such Board of Directors or Executive Committee and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically described herein, the Owner Trustee may for all purposes hereof rely on a certificate, signed by the Chairman of the Board, or by the President, or by any Vice President, or by the Treasurer, or by the Secretary of any Related Lessee or of any Related Beneficiary, as the case may be, as to such fact or matter, and such certificate shall constitute full protection to the Owner Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the performance of its duties hereunder, the Owner Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and may, at the expense of the Related Trust Estate, consult with counsel, accountants and other skilled persons to be selected and employed by it, and the Owner Trustee shall not be liable for anything done, suffered or omitted by it in good faith in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

ARTICLE VI

EFFECT OF SALES BY OWNER TRUSTEE

SECTION 6.1. Effect of Sales by Owner Trustee. Any sale of all or any part of any Related Trust Estate by the Owner Trustee or its agent shall with respect to a particular Trust bind each Related Beneficiary and shall be effective for the benefit of the purchasers thereof and their respective successors and assigns to divest and transfer all right,

title and interest of the Owner Trustee in the property so sold, and no such purchasers shall be required to inquire as to compliance by the Owner Trustee with any of the terms of this Master Trust Agreement or to see to the application of any consideration paid for such property.

ARTICLE VII

RESIGNATION AND REMOVAL OF OWNER TRUSTEE; APPOINTMENT OF SUCCESSORS

SECTION 7.1. Resignation; Successor Owner Trustee. The Owner Trustee or any successor thereto may, upon at least 60 days' prior written notice to the Trustor, decline to act as trustee with respect to any Trust created pursuant to any Authorization and Direction executed after the effective date of such notice. The Owner Trustee or any successor thereto may, with respect to a particular Trust, resign at any time without cause by giving at least 30 days' prior written notice to the Trustor and each Related Beneficiary, such resignation to be effective on the date of appointment of a successor trustee as hereinafter provided. The Related Beneficiaries may at any time with respect to the particular Trust remove the Owner Trustee without cause by an instrument in writing, which instrument shall designate the effective date of any such removal, delivered to the Owner Trustee. In the case of the resignation or removal of the Owner Trustee, the Related Beneficiaries shall appoint a successor trustee by an instrument signed by each Related Beneficiary. If the Related Beneficiaries shall not have appointed a successor trustee within 30 days after such resignation or removal, the Owner Trustee shall continue as Owner Trustee and may apply to any court of competent jurisdiction to appoint a trustee to act until such time, if any, as a successor shall have been appointed by the Related Beneficiaries as above provided. Any successor trustee so appointed by such court shall immediately and without further act be superseded by any successor trustee thereafter appointed by the Related Beneficiaries.

A successor owner trustee hereunder shall be deemed an Owner Trustee for all purposes hereof, and each reference herein to the Owner Trustee shall thereafter be deemed to include such successor.

SECTION 7.2. Acceptance of Appointment. Any successor owner trustee, whether appointed by a court or by the Related Beneficiaries, shall execute and deliver to its predecessor Owner Trustee an instrument reasonably satisfactory to such predecessor Owner Trustee accepting such appointment, and thereupon such successor owner trustee, without further act, shall with respect to such Trust become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Owner Trustee in the trusts hereunder with like effect as if originally named as an Owner Trustee herein; but nevertheless upon the written request of such successor owner trustee such predecessor Owner Trustee shall execute and deliver an instrument reasonably satisfactory to such successor owner trustee transferring to such successor owner trustee, upon the trusts

herein expressed, all the estates, properties, rights, powers and trusts of such predecessor Owner Trustee, and such predecessor Owner Trustee shall duly assign, transfer, deliver and pay over to such successor owner trustee any property or moneys then held by such predecessor Owner Trustee upon the trusts herein expressed.

SECTION 7.3. Qualification of Successor Owner Trustee. Any successor to the Owner Trustee, however appointed, shall be a bank or trust company organized under the laws of the United States or any jurisdiction thereof having a combined capital and surplus of at least \$25,000,000, if there be such an institution willing, able and legally qualified to perform the duties of the Owner Trustee hereunder upon reasonable or customary terms.

SECTION 7.4. Merger of Owner Trustee. Any corporation into which the Owner Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from or surviving any merger, conversion or consolidation to which the Owner Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Owner Trustee may be transferred, shall, subject to the terms of this Article VII, be the Owner Trustee under this Master Trust Agreement without any further act.

SECTION 7.5. Status of Successor Owner Trustee. A successor owner trustee shall have the same duties, powers and discretion conferred herein on the Owner Trustee. A successor owner trustee may with respect to each Trust accept the assets of the Related Trust Estate delivered to it by its predecessor Owner Trustee as constituting the entire assets of each such Related Trust Estate and shall not be required to take any action to determine what constitutes any such Related Trust Estate or to obtain possession of any assets thereof or to investigate any acts, omissions or misconduct of its predecessor Owner Trustee.

SECTION 7.6. Multiple Related Beneficiaries; Separability of Trusts. If, with respect to any Trust, there shall be two or more Related Beneficiaries or, if at the time of execution of an Authorization and Direction there shall be only one Related Beneficiary and, thereafter, such Related Beneficiary shall have made a partial assignment of its interest in any such Trust in accordance with this Master Trust Agreement, all action taken by the Related Beneficiaries pursuant to this Article VII shall be taken by all Related Beneficiaries of such Trust, including such transferee, and all such actions shall be applicable only to such Trust. The Owner Trustee shall not be required to take any action at the direction of a Related Beneficiary with respect to any Trust, unless all Related Beneficiaries with respect to such Trust join in such direction.

SECTION 7.7. Appointment of Co-Trustees and Separate Trustees.

(a) With respect to each Trust, at any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any part of the Related Trust Estate may at the time be located the

Owner Trustee shall have power to appoint one or more persons to act as co-trustee of all or any part of such Related Trust Estate or to act as separate trustee of any property constituting part thereof, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons any property, title, right or power deemed necessary or desirable, subject to the remaining provisions of this Section. Nothing in this Master Trust Agreement is intended to prohibit the same person from acting as co-trustee or separate trustee with respect to more than one Trust.

(b) Every separate trustee or co-trustee shall, with respect to each Trust to which its appointment relates and to the extent permitted by law, be appointed subject to the following terms:

(1) The rights, powers, duties and obligations conferred or imposed on any such separate trustee or co-trustee shall not be greater than those conferred or imposed upon the Owner Trustee, and such rights and powers shall be exercisable only jointly with the Owner Trustee, except to the extent that, under any law of any jurisdiction in which any particular act or acts are to be performed, the Owner Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights and powers shall be exercised by such separate trustee or co-trustee subject to the provisions of subsection (b)(4) of this Section.

(2) The Owner Trustee may at any time, by an instrument in writing executed by it, accept the resignation of or remove any separate trustee or co-trustee appointed under this section.

(3) No trustee or co-trustee under this Master Trust Agreement shall be liable by reason of any act or omission of any other trustee or co-trustee under this Master Trust Agreement.

(4) No power given to such separate trustee or co-trustee shall be separately exercised hereunder by such separate trustee or co-trustee except with the consent in writing of the Owner Trustee, anything herein contained to the contrary notwithstanding.

(c) Upon the acceptance in writing of such appointment by any such separate trustee or co-trustee, it shall be vested with the Related Trust Estate to which its appointment relates as specified in the instrument of appointment, subject to all the terms of this Master Trust Agreement.

(d) To the extent and as herein in this Section VII provided, the Owner Trustee shall have the right to appoint an individual co-owner trustee to take all actions permitted to be taken as provided in this Master Trust Agreement by a co-trustee.

ARTICLE VIII

TRANSFER OF A RELATED BENEFICIARY'S INTEREST

SECTION 8.1. Restrictions on Transfer or Assignment. (a) Each Related Beneficiary by its execution and delivery of an Authorization and Direction shall be deemed to have agreed that it will not, at any time after the execution and delivery of such Authorization and Direction, transfer or assign (herein referred to as an assignment) all or any portion of its interest hereunder with respect to any Trust or the Related Trust Estate unless (A) each transferee or assignee is either the Related Lessee or an institutional investor, as defined below, and (B) each transferee or assignee shall execute and deliver an agreement in form and substance satisfactory to the Owner Trustee and all other Related Beneficiaries of such Trust whereby such transferee or assignee shall agree to be bound by all the terms and provisions of, and to assume and confirm all the obligations of the Related Beneficiary making such transfer or assignment under, this Master Trust Agreement. The term institutional investor means any one of the following entities existing under the laws of the United States of America or any jurisdiction thereof: (i) any bank, savings institution, trust company or national banking association acting for its own account or in a fiduciary capacity, (ii) any finance company, (iii) any charitable foundation, (iv) any insurance company or fraternal benefit society, (v) any pension, retirement or profit sharing trust or fund for which any bank, trust company, national banking association or investment adviser registered under the Investment Advisers Act of 1940, as amended, is acting as trustee or agent, (vi) any college or university, (vii) any corporation which holds 100% of the voting securities of any of such Related Beneficiaries, or (viii) any corporation all of whose capital stock and other securities are owned by any of the foregoing (including a Related Beneficiary).

(b) In the case of each such transferee or assignee referred to in clauses (i), (ii), (iv), (vii) or (viii) above, if such transferee or assignee shall not be a bank or lending institution with a combined capital and surplus of at least \$50,000,000 or shall not be a domestic corporation with net assets of at least \$50,000,000, the transferor or assignor shall enter into a tax indemnification agreement (in form and substance satisfactory to all other Related Beneficiaries of such Trust and the Trustee) for the benefit of the holders of the Related Notes, pursuant to which such transferor or assignor will indemnify and hold harmless all present and future holders of such Related Notes from and against any reduction in the amount payable out of the Related Trust Estate to such holders of such Related Notes in respect of their Related Notes, and any other losses, costs or expenses incurred by such holders of Related Notes, as a result of the imposition or enforcement of any lien or claim against the Related Trust Estate by any taxing authority because of the non-payment by such transferee or assignee of taxes imposed on or measured by its income or gross receipts by such taxing authority.

(c) In the case of any transfer, if the transferee is not a bank or lending institution with a combined capital and surplus of at least \$50,000,000 or a domestic corporation with net assets of at least \$50,000,000, the transferor shall, unless such liability shall have been waived in writing by the Owner Trustee, continue to be secondarily liable for the transferee's primary obligations under Section 3.3.

(d) Notwithstanding anything to the contrary herein contained, should there be more than one Related Beneficiary of a particular Trust, no Related Beneficiary of such Trust shall have the right to sell, assign, encumber, hypothecate or in any other way transfer all or any part of its interest hereunder with respect to such Trust or in the Related Trust Estate unless it shall have first received the prior written consent to such sale, assignment, encumbrance, hypothecation or other transfer from all other Related Beneficiaries having an interest in such Trust and in such Related Trust Estate.

SECTION 8.2. Notice of Transfer. If a Related Beneficiary shall propose to transfer or assign its interests hereunder with respect to a particular Trust, it shall give written notice to the Trustor, each other Related Beneficiary of such Trust, the Owner Trustee and the Trustee specifying the name and address of the proposed transferee or assignee, and enclosing the agreement or agreements referred to in paragraphs (a) and (b) of Section 8.1.

ARTICLE IX

DURATION AND TERMINATION OF AND AMENDMENT TO TRUST

SECTION 9.1. Duration. This Master Trust Agreement shall continue until the Trusts created by all Authorizations and Directions hereunder shall have terminated as herein provided.

SECTION 9.2. Termination. A Trust created and provided for hereby and by a particular Authorization and Direction shall cease and be terminated upon the earlier of (a) notice of the Related Beneficiaries with respect to such Trust to the Owner Trustee provided the prior written consent shall have been obtained from all parties to any of the documents referred to herein and relating to such Trust and its Related Trust Estate or (b) twenty-one years less one day after the death of the survivor of the issue, living on the date such Trust shall have been created by a particular Authorization and Direction, of the directors of the Trustee.

SECTION 9.3. Distribution of a Related Trust Estate Upon Termination. Upon any termination of a Trust pursuant to the provisions of Section 9.2, the Owner Trustee shall transfer title to the Related Trust Estate to the Related Beneficiaries without recourse or warranty of any kind, and, upon making such transfer and accounting for all funds which shall have come into its hands, the Owner Trustee shall be discharged and free of

any further liability hereunder with respect to such Trust, except such liability, not payable out of the assets of the Related Trust Estate, as may be shown by such accounting then to exist in accordance with the other provisions of this Master Trust Agreement.

No later than the effective date of termination of any such Trust, the Owner Trustee shall execute and deliver to the Related Beneficiaries or to any person designated in writing by the Related Beneficiaries a bill of sale (together with such number of additional counterparts necessary for recording) and other written instrument or instruments all without recourse or warranty of any kind, but otherwise in form and content reasonably requested by the Related Beneficiaries prior to such termination, evidencing the transfer of title to the Related Trust Estate to the Related Beneficiaries or to any such person.

SECTION 9.4. Supplements and Amendments to This Master Trust Agreement and Other Documents. At any time and from time to time, upon the written request of the Related Beneficiaries (i) the Owner Trustee, together with the Related Beneficiaries, may execute and deliver an amendment or a supplement to this Master Trust Agreement to the extent, but only to the extent, that it relates to the Trust created by a particular Authorization and Direction for the purpose of adding provisions to or changing or eliminating provisions of this Master Trust Agreement and such Trust as specified in such a request (provided, however, that no such amendment or supplement shall make any change with respect to a Trust created by a particular Authorization and Direction which shall be prohibited by the Indenture, as implemented by the Related Supplement, or the Related Lease, or any other document referred to herein or in such Authorization and Direction) and (ii) the Owner Trustee shall enter into such written amendment or supplement to any of the other documents referred to herein or therein as the parties thereto may agree to (to the extent such agreement shall be required) and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of any such other document as may be specified in such request.

If the Owner Trustee reasonably believes that any document required to be executed pursuant to the terms of this Section increases the duties or liabilities of, or adversely affects any right, immunity or indemnity in favor of, the Owner Trustee under this Master Trust Agreement, the Owner Trustee may decline to execute such document until provision shall have been made with respect thereto which shall be reasonably satisfactory to the Owner Trustee.

ARTICLE X

COMPENSATION, COSTS AND EXPENSES OF OWNER TRUSTEE

SECTION 10.1. Compensation, Costs and Expenses of Owner Trustee. Separately with respect to each Trust, the Owner Trustee shall receive

from the Trustor as compensation for its ordinary services hereunder such fees as may heretofore and from time to time hereafter be agreed upon between the Trustor and the Owner Trustee and shall be reimbursed by the Trustor for its ordinary costs and expenses hereunder, except (i) such fees as may be charged, and such costs and expenses as may be incurred, by the Owner Trustee in consequence of any direction of any Related Beneficiary given to the Owner Trustee pursuant to paragraph (c) of Section 1.2 and (ii) such fees as may be charged, and such costs and expenses as may be incurred, in consequence of the Owner Trustee rendering extraordinary services or incurring extraordinary costs and expenses, including, without limitation, services rendered and costs and expenses incurred in connection with any Related Event of Default under the Indenture (as implemented by the Related Supplement) and/or any Event of Default under the Related Lease, which fees, costs and expenses under clauses (i) and (ii) shall be paid by the Related Beneficiary under Section 3.4.

ARTICLE XI

APPOINTMENT OF AGENT

SECTION 11.1. Appointment. Each Related Beneficiary authorizes and directs the Owner Trustee to appoint, and the Owner Trustee hereby appoints, the Agent as its agent to do all such acts and things and execute all such documents, instruments and other agreements as the Owner Trustee hereafter may from time to time direct in its place and stead in accordance with the terms of this Master Trust Agreement.

SECTION 11.2. Acceptance of Agency. The Agent agrees to act as agent for the Owner Trustee hereunder and, subject to the terms and conditions hereof, to perform such things and execute such documents, instruments and other agreements as the Owner Trustee may from time to time direct.

SECTION 11.3. Resignation or Removal of Agent. The Agent or any successor agent appointed pursuant hereto may, with respect to any Trust created pursuant to this Master Trust Agreement, resign at any time without cause by giving at least 30 days' prior written notice to each Related Beneficiary and the Owner Trustee, such resignation to be effective on the date set forth in such notice. In addition, the Related Beneficiaries may, with respect to any Trust created pursuant to this Master Trust Agreement, at any time remove the Agent without cause by an instrument in writing, which instrument shall designate the effective date of any such removal, delivered to the Agent and the Owner Trustee. Upon request of the Owner Trustee, the Related Beneficiaries may, but shall not be required to, thereafter appoint a successor agent hereunder by an instrument in writing delivered to the Owner Trustee.

ARTICLE XII

MISCELLANEOUS

SECTION 12.1. Entire Agreement. The Owner Trustee agrees, and each Related Beneficiary, by its execution and delivery of an Authorization and Direction shall be deemed to have agreed, that this Master Trust Agreement and each Authorization and Direction executed from time to time pursuant hereto embody the entire agreement and understanding between the Trustor, such Related Beneficiary and the Owner Trustee relating to the subject matter hereof, of each Trust created pursuant hereto and of such Authorization and Direction, and upon execution and delivery of such Authorization and Direction, this Master Trust Agreement and such Authorization and Direction will supersede and restate all prior agreements and understandings related to the Trust created thereby.

SECTION 12.2. Notices. All communications and notices provided for herein shall be in writing and shall become effective when received, addressed as follows: (i) if to the Owner Trustee, at P.O. Box 3007, Salt Lake City, Utah 84125, Attention: Trust Division, Corporate Trust Department (with a copy to the Agent), (ii) if to the Trustor or Agent, at One Embarcadero Center, San Francisco, California 94111, Attention: Contract Administration, (iii) if to a Related Beneficiary, at its address set forth in the Authorization and Direction, and (iv) if to the Trustee, at its address set forth in the Indenture; or to such other address as any one of the foregoing, or its successors or, in the case of a Related Beneficiary, assigns, may from time to time designate by notice duly given in accordance with this Section to each other of the foregoing.

All communications and notices hereunder may be given in person, by first class mail, postage prepaid, or by telegram or telecopier, charges prepaid, promptly confirmed by first class mail, postage prepaid.

SECTION 12.3. Situs of Trust; Governing Law. This Master Trust Agreement has been, and each Trust to be created by an Authorization and Direction is to be, accepted by the Owner Trustee and administered in the State of Utah, and the validity, construction and all rights under this Master Trust Agreement and each such Trust shall be governed by the laws of such State.

SECTION 12.4. Non-Segregation of Moneys. All moneys received by the Owner Trustee under or pursuant to any provisions of this Master Trust Agreement shall constitute trust funds for the purpose for which they were paid or are held, but need not be segregated in any manner from any other moneys except to the extent required by law and may be deposited by the Owner Trustee under such conditions as may be prescribed or permitted by law for trust funds, and the Owner Trustee shall not be liable for any interest thereon.

SECTION 12.5. Separate Trusts. Notwithstanding anything to the contrary contained herein or in any Authorization and Direction or any document executed and delivered pursuant thereto, each Trust created by

an Authorization and Direction shall be, for all purposes, a separate and distinct trust and the rights and benefits in a particular Related Trust Estate of any Related Beneficiary, the Owner Trustee, any Related Lessee, the Trustee or any party for whom the Trustee acts under the Indenture shall be limited to the rights and benefits afforded by that particular Related Trust Estate and no rights or benefits shall exist in favor of any such party in other Related Trust Estates, except as therein specifically provided with respect to that particular Related Trust Estate.

SECTION 12.6. Benefit of Parties, Successors and Assigns. As it relates to the Trust created by each Authorization and Direction, this instrument shall be binding upon, and shall inure solely to the benefit of, the parties hereto, the Trustee and each Related Beneficiary and their respective successors and assigns.

SECTION 12.7. Survival of Representations and Warranties. All representations and warranties contained herein as they affect a particular Trust shall survive the termination of this Master Trust Agreement and of such Trust.

SECTION 12.8. Severability of Invalid Provisions. Any provision of this Master Trust Agreement which is prohibited or unenforceable in any jurisdiction as to a particular Trust shall, as to such Trust and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto hereby and, upon execution of an Authorization and Direction, each Related Beneficiary shall be deemed to have agreed to, waive with respect to each Trust any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

SECTION 12.9. Effect of Waiver. Waiver of the breach of any provision hereunder shall be applicable only to the particular Trust for which such waiver is given and shall not be deemed a waiver of any prior or subsequent breach of the same or any other provision hereof or of the Authorization and Direction creating such Trust.

SECTION 12.10. Remedies Not Exclusive. Pursuit of any remedy with respect to a particular Trust shall not be deemed the waiver of any other remedy hereunder with respect to such Trust or at law or in equity.

SECTION 12.11. References to Agreements and Instruments. Except as otherwise indicated, all the agreements and instruments herein defined shall mean such agreements or instruments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms hereof and thereof.

SECTION 12.12. Headings and Table of Contents. The division of this Master Trust Agreement into articles and sections, the provision of a table of contents and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Master Trust Agreement.

SECTION 12.13. Construction of References. Unless the context otherwise requires, all references in this instrument to designated Articles, Sections and other subdivisions are to designated Articles, Sections and other subdivisions of this instrument, and the words herein, hereof and hereunder and other words of similar import refer to this instrument as a whole and not to any particular Article, Section or other subdivision.

SECTION 12.14. Counterpart Execution. This Master Trust Agreement, any amendment or supplement to this Master Trust Agreement and any Authorization and Direction may be executed in any number of counterparts and by the different parties hereto and thereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts of each such document shall together constitute but one and the same instrument. Fully executed sets of counterparts shall be delivered to, and retained by, the Owner Trustee and the other party or parties thereto.

IN WITNESS WHEREOF, the Owner Trustee and the Trustor have each caused this Master Trust Agreement to be duly executed by their respective officers thereunto duly authorized, all as of the date first set forth above.

ITEL CORPORATION, EQUIPMENT FINANCE
DIVISION

acting as Trustor and Agent in the
execution of this Master Trust
Agreement,
as Trustor and as Agent

By Harry J. Stevens
Vice President

[Corporate Seal]

Attest:

Susan R. Moore

FIRST SECURITY BANK OF UTAH, N.A.,
as Owner Trustee

By Robert S. Clark
Authorized Officer

[Seal]

Attest:

William C. McGregor
Authorized Officer

EXHIBIT A
to Master Trust Agreement

AUTHORIZATION AND DIRECTION
under and pursuant to the
Master Trust Agreement

Dated as of October 31, 1978

between

IteI Corporation, Equipment Finance Division, as Trustor and Agent,

and First Security Bank of Utah, N.A.
not in its individual capacity, but solely
as Owner Trustee

Pursuant to Section 1.2 of the Master Trust Agreement and subject to the terms and provisions thereof, the Trustor and each undersigned Related Beneficiary hereby deliver to the Owner Trustee this Authorization and Direction with respect to the creation of a Trust thereunder, which Trust shall be identified by the date of this Authorization and Direction and shall be designated as follows:

Designation of Trust: [Name of Related Lessee and Year of
Creation of Trust]
Equipment Trust No. _____

[Complete (A) or (B), as applicable]

(A) Pursuant to paragraph (a) of Section 1.2 of the Master Trust Agreement, each undersigned Related Beneficiary hereby transmits to the Owner Trustee funds in the amounts indicated below, which funds are to be held in trust under the terms and conditions of the Master Trust Agreement:

Name

Amount

(B) Pursuant to paragraph (b) of Section 1.2 of the Master Trust Agreement, the Owner Trustee is hereby advised that the documents or terms referred to therein are hereby identified as follows:

Related Lessee:

Exhibit A
to
Master Trust
Agreement

Related Participation
Agreement:

[Date]

Related Supplement:

Supplemental Indenture No. _____

Related Lease:

[Date]

Group or Groups of
Equipment:

The respective interest of each of the undersigned Related Beneficiaries in the Related Trust Estate is as follows:

Related Beneficiary

Interest

§

Profits, losses, deductions and credits attributable to the brokerage fees of Itel Corporation, Equipment Finance Division charged to the Trust for arranging the financing of the Leased Equipment shall, to the extent permitted by law, be allocated to each of the undersigned Related Beneficiaries as follows:

Related Beneficiary

Interest

§

In connection with paragraph (B) above each undersigned Related Beneficiary hereby advises the Owner Trustee that the amount to be furnished by such Related Beneficiary pursuant to paragraph (b) of Section 1.3

Exhibit A
to
Master Trust
Agreement

of the Master Trust Agreement is the amount required to be advanced on each Closing Date as such Related Beneficiary's investment in the Leased Equipment pursuant to the Related Participation Agreement.

Each undersigned Related Beneficiary hereby agrees to be bound by all of the terms and provisions of, and hereby assumes and confirms all of the obligations of a Related Beneficiary under, the Master Trust Agreement as it relates to the Trust created hereby, confirms the authorization of the Owner Trustee under the Master Trust Agreement, directs the Owner Trustee to take such action with respect to the Trust created hereby as shall be required pursuant to the terms and provisions of the Master Trust Agreement including, specifically, Section 1.2 thereof and agrees that, from and after the date hereof, the Trustor shall have no further duties or obligations under the Master Trust Agreement with respect to the Trust other than the duties and obligations set forth in Article X of the Master Trust Agreement.

Dated: _____

ITEL CORPORATION, EQUIPMENT FINANCE
DIVISION,
as Trustor

By _____
Title

as Related Beneficiary

By _____
Title

Address:

AUTHORIZATION AND DIRECTION
Under and Pursuant to the
MASTER TRUST AGREEMENT
Dated as of October 31, 1978,
between
ITEL CORPORATION, EQUIPMENT FINANCE DIVISION,
as Trustor and Agent,
and FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity, but solely
as Owner Trustee

The undersigned Related Beneficiaries and the Owner Trustee have entered into a Trust Agreement dated as of May 31, 1979, and pursuant to Paragraph 6 thereof, proposed to and do hereby amend and restate such Trust Agreement exclusively in accordance with the Master Trust Agreement and this Authorization and Direction as if the Trust created by the Trust Agreement (the Trust) had been originally created hereunder pursuant to Section 1.2 of the Master Trust Agreement and subject to the terms and provisions thereof. The Trust shall henceforth be identified by the date of this Authorizaton and Direction and shall be designated as follows:

Designation of Trust: Koppel Inc.
(1979) Equipment Trust No. 1

Pursuant to paragraph (b) of Section 1.2 of the Master Trust Agreement, the Owner Trustee is hereby advised that the documents or terms referred to therein are hereby identified as follows:

Related Lessee: Koppel Inc.

Related Participation Agreement: Dated as of May 15, 1979

Related Supplement: Supplemental Indenture No. 2

Related Lease: Dated as of May 15, 1979

The respective interest of each of the undersigned Related Beneficiaries in the Related Trust Estate is as

follows:

<u>Related Beneficiary</u>	<u>Interest</u>
Commerce Bank of Kansas City, N.A.	90%
Commerce-Manchester Bank	10

Profits, losses, deductions and credits attributable to the brokerage fees of ITEL Corporation charged to the Trust for arranging the financing of the Leased Equipment shall, to the extent permitted by law, be allocated to each of the undersigned Related Beneficiaries as follows:

<u>Related Beneficiary</u>	<u>Interest</u>
Commerce Bank of Kansas City, N.A.	90%
Commerce-Manchester Bank	10

In connection with the second paragraph hereof, each undersigned Related Beneficiary hereby advises the Owner Trustee that the amount to be furnished by such Related Beneficiary pursuant to paragraph (b) of Section 1.3 of the Master Trust Agreement is the amount required to be advanced on each Closing Date as such Related Beneficiary's investment in the Leased Equipment pursuant to the Related Participation Agreement.

Each undersigned Related Beneficiary hereby agrees to be bound by all the terms and provisions of, and hereby assumes and confirms all the obligations of a Related Beneficiary under, the Master Trust Agreement as it relates to the Trust created hereby, confirms the authorization of the Owner Trustee under the Master Trust Agreement, directs the Owner Trustee to take such action with respect to the Trust created hereby as shall be required pursuant to the terms and provisions of the Master Trust Agreement, including, specifically, Section 1.2 thereof, and agrees that, from and after the date hereof, the Trustor shall have no further duties or obligations under the Master Trust Agreement with respect to the Trust other than the duties and obligations set forth in Article X of the Master Trust Agreement.

The Trustor and each undersigned Related Beneficiary hereby also authorize and direct the Owner Trustee to execute and deliver the Agency Agreement dated as of May 15, 1979, between the Owner Trustee and Marine Industrie Limitee, a body corporate and politic, having its principal place of business at Tracy (Sorel) Quebec, Canada, regarding the importation of the Leased Equipment from Canada into the United States.

Each undersigned Related Beneficiary agrees that the representative referred to in Section 1.2(b)(4) of the Master Trust Agreement may be Itel Corporation or an agent or representative of Itel Corporation; and in that capacity Itel Corporation agrees to perform or cause to be performed those duties specified in the aforementioned section.

This Authorization and Direction shall be governed by, and construed in accordance with, the laws of the State of New York.

Dated: As of May 15, 1979

ITEL CORPORATION, EQUIPMENT FINANCE
DIVISION,

Trustor

by Michael D. Terry

COMMERCE BANK OF KANSAS CITY, N.A.,
Related Beneficiary

by Harry J. Kelly

Address: P. O. Box 248
Kansas City, Missouri 64141

COMMERCE-MANCHESTER BANK,
Related Beneficiary

by E. W. Whetsel

Address: Chouteau at Vandeventer
St. Louis, Missouri 63110

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity but
solely as Owner Trustee,

by Fuchia B. Eichers

EQUIPMENT TRUST AGREEMENT
of AFG/AT&SF 1994-1 TRUST
Dated as of May 24, 1994
Between American Finance Group, as Trustor, and
Investors Asset Holding Corp., as Trustee

1. Definitions

1.01. Definitions. For purposes of this Agreement, this Trust shall be known as by the name shown on Schedule A hereto and the following terms shall have the following meanings:

"Agent" means National Westminster Bank USA, as agent under the Credit Facility.

"Agreement" or "Equipment Trust Agreement" means this Trust Agreement.

"Assignment Agreement" means, Agreement re: Assignment of Beneficial Interest dated as of May 27, 1994.

"Beneficial Interest" shall mean the interest of a Beneficiary in the Trust, as shown on Schedule A hereto, as the same may be amended from time to time upon notice to the Trustee.

"Beneficiary" means those person(s) named on Schedule A, hereto as the same may be amended from time to time upon notice to the Trustee.

"Credit Facility" means that certain revolving credit facility established pursuant to the Credit Agreement dated as of October 7, 1993 among National Westminster Bank USA, as Agent, Trustor as Borrower, and the Lenders signatory thereto.

"Effective Date" means the Effective Date shown on Schedule A hereto.

"FSBU-BI" means the Beneficial Interest of that certain trust established pursuant to the Master Trust Agreement dated as of October 31, 1978, and that certain Authorization and Direction executed pursuant thereto dated as of May 15, 1979, which Beneficial Interest constitutes the trust estate of the Trust.

"Lenders" means the lenders under the Credit Facility

"Lien" means the first priority security interest and lien to be granted by the Trustee to the Agent in the FSBU-BI.

"Loan Documents" means any and all documents related to or involving Lender's Lien and the Credit Facility.

"Seller" means Residual Based Finance Corporation, the seller of the FSBU-BI.

"Trust" means the trust established pursuant to this Trust Agreement.

"Trust Agreement" means this Trust Agreement "AFG/AT&SF 1994-1 Trust" dated as of May 18, 1994 among Trustor, Trustee and Beneficiary.

"Trustee" means Investors Asset Holding Corp., a Massachusetts corporation having its principal place of business at Exchange Place, Boston, MA 02109 or any successor trustee.

"Trustor" means American Finance Group, a Massachusetts general partnership having its principal place of business at Exchange Place, Boston, MA 02109.

2. Appointment of Trustee: Authorizations and Directions

2.01. The Trustee is hereby appointed "Trustee" of this Trust effective as of the date hereof and shall have all of the rights, powers, obligations and duties from and after the date hereof as set forth herein.

2.02. The Beneficiary hereby authorizes and directs the Trustee:

(a) to execute and deliver the Assignment Agreement, and all documents necessary to consummate the transactions contemplated hereunder or thereunder;

(b) upon the direction of the Beneficiary, to finance the acquisition of the FSBU-BI and in connection therewith to grant liens on the FSBU-BI in favor of the Lender and to execute and deliver all documents necessary to consummate such financing;

(c) to make payments of the purchase price of the FSBU-BI with funds furnished to the Trustee for such purpose by the Lender;

(d) to exercise the rights and perform the duties and obligations of the borrower or debtor with the respect of a financing of the FSBU-BI and to execute and deliver the Loan Documents;

(e) to take such other actions not inconsistent with the terms of this Agreement, in connection with any of the foregoing, as directed, requested or notified from time to time by the Beneficiary, provided, however, notwithstanding any other provision of this Trust Agreement, that the Trustee may rely under this Trust Agreement on any direction, request by or notice of the Beneficiary.

2.03. The Trustee shall not have any authority to manage, control, use, sell, dispose or otherwise deal with the FSBU-BI or any other part of the trust estate, or to otherwise take or refrain from taking any action under, or in connection with, the FSBU-BI, except as expressly provided by the terms of this Trust Agreement or as expressly provided in written instructions from the Beneficiary duly given pursuant to the terms of Section 5.01 or 5.02 hereof; and no implied authority shall be read into this Trust Agreement against the Trustee.

2.04. The Beneficiary shall pay or provide for the payment to or for the account of the Trustee in immediately available funds on or before the Closing Date (as that term is defined in the Assignment Agreement) sufficient funds to enable the Trustee to pay to the Seller the amounts and at the terms required to be paid pursuant to the Assignment Agreement to be delivered in connection with the Trustee's purchase of the FSBU-BI.

3. Declaration of Trust

3.01. The Trustee hereby accepts appointment as Trustee hereunder and declares that it will hold all estate, right, title and interest in and to the FSBU-BI, and the documents delivered to the Trustee pursuant to Section 2.02 of this Agreement, including, without limitation, all amounts of rent, insurance proceeds, indemnity and other payments of any kind for or with respect to the FSBU-BI (all such estate, right, title and interest being herein sometimes called the "Trust Estate"), upon the trusts hereinafter set forth for the use and benefit of the Beneficiary, all of the foregoing subject, however, to the Lien and to the obligations of the Trustee to make payment to the Seller in accordance with the terms of Section 2.04.

4. Receipt, Distribution and Application of Income from the Trust Estate

4.01. Except as otherwise provided in Section 4.02 hereof, the Trustee shall apply each payment received by it as follows:

(a) First, to payment in full of the principal of and termination premium, if any, interest and all other sums due under any of the Loan Documents, each such payment to be applied to the payment of the Trustee's obligations under such Loan Documents to the extent such payments are not otherwise discharged.

(b) Next, to payment of any amounts necessary to allow Trustee to exercise its rights under the FSBU-BI.

(c) The balance, if any, shall be paid to the Beneficiary.

4.02. Each payment at any time received by the Trustee, to the extent such sums are not due and owing to a Lender, shall be applied, first, to any cost or expense or liability incurred or loss suffered by the Trustee and, second, to payment as directed by the Beneficiary.

4.03. Any payment received by the Trustee, other than payments referred to in Sections 4.01 and 4.02, for which provision as to the application thereof is made under the FSBU-BI shall be applied to the purpose for which such payment was made in accordance with the terms of the FSBU-BI; and any payment received by the Trustee for which no provision as to the application thereof is made in this Section 4 shall, unless the Beneficiary shall have instructed the Trustee otherwise in writing, be distributed to the Beneficiary as provided in Section 4.01(c) above.

5. Duties of the Trustee

5.01. In the event the Trustee shall have knowledge of an event of default under the Loan Documents, the Trustee shall take such action with respect to such event of default as shall be directed by written notice to the Trustee from the Beneficiary, including, without limitation, the application of moneys furnished by the Beneficiary and moneys in the Trust Estate available for the purpose in accordance with Section 4 hereof to the payment of any termination premiums and the principal of and interest on any Note, and subject further to the terms of Section 5.03 hereof. The Trustee shall not be deemed to have knowledge of such an event of default unless it has received notice in writing by a Beneficiary.

5.02. Subject to the terms and provisions of the FSBU-BI and the rights of the Lenders and the Agent under the Loan Documents, and subject further to the terms of Sections 5.01 and 5.03 hereof, upon the written request of the Beneficiary, the Trustee will take such of the following actions as may be specified in such request:

(a) give such notice or direction or exercise such right or power under the FSBU-BI, including, without limitation, the right to transfer, assign or convey the Trustee's interest in the FSBU-BI as shall be specified in such request; and

(b) after the expiration or earlier termination of the Trust, convey all the Trustee's right, title and interest in and to the FSBU-BI for such account, on such terms and to such purchaser or purchasers as shall be designated in such request.

(c) execute and file any and all required fiduciary income tax returns which have been prepared by the Beneficiary.

5.03. The Trustee shall not be required to take any action under Section 5.01 or 5.02 hereof unless the Trustee shall have been indemnified and held harmless by the Beneficiary in manner and form satisfactory to the Trustee against any liability, cost or expense (including counsels' fees) which may be incurred in connection with such action. The Trustee shall not be required to take any action under Section 5.01 or 5.02 hereof, nor shall any other provision of this Trust Agreement be deemed to impose a duty on the Trustee to take any action, if the Trustee shall determine or shall have been advised by counsel that such action is more likely than not to result in personal liability or is contrary to the terms of the Lease or is otherwise contrary to law.

5.04. It is agreed that the Trustee shall not have any authority, duty or obligation to manage, control, use, sell, dispose or otherwise deal with the FSBU-BI or any other part of the Trust Estate, or to otherwise take or refrain from taking any action under the FSBU-BI, except as expressly provided by the terms of this Trust Agreement or as expressly provided in written instructions from the Beneficiary duly given pursuant to the terms of Section 5.01 or 5.02 hereof; and no implied authority, duties or obligations shall be read into this Trust Agreement against the Trustee.

5.05. Nothing contained in this Section shall limit in any manner the obligations of the Trustee set forth in Section 4 hereof.

5.06. (a) The Beneficiary covenants and agrees that it will not, directly or indirectly, create or incur or suffer to be incurred or exist (and if so created or incurred will cause to be removed) any mortgage, pledge, security interest, encumbrance, lien or charge of any kind on any of the FSBU-BI or upon the Lease or upon any rentals, casualty payments, termination payments, insurance proceeds, indemnity payments or other sums due and to become due under or in respect of any thereof, whether it is now owned or hereinafter acquired except liens, charges or encumbrances arising or in connection with a financing of the FSBU-BI under the Credit Facility or any refinancing of such financing.

(b) The Trustee covenants and agrees that the FSBU-BI, and any rentals, casualty payments, termination payments, insurance proceeds, indemnity payments

or other sums due and to become due under or in respect thereof, whether the FSBU-BI is now owned or hereafter acquired, shall be free of, and it shall cause to be removed, any mortgage, pledge, security interest, encumbrance, lien or charge of any kind except as permitted in 5.06(a) hereof.

6. The Trustee

6.01. The Trustee accepts the trusts hereby created and agrees to perform the same but only upon the terms of this Trust Agreement. The Trustee shall not be answerable or accountable to the Trustor or the Beneficiary under any circumstances, except for its or his own willful misconduct or gross negligence.

6.02. Except in accordance with written instructions duly furnished pursuant to Section 5.02 hereof and subject to the terms of Section 5.03 hereof, and without limitation of the generality of Section 5.04 hereof, the Trustee shall have no duty:

(a) to see to any registration of the FSBU-BI or any recording, filing or depositing of the FSBU-BI or of this Trust Agreement, or of any amendment or supplement thereto or of any other documents contemplated thereby or to see to the maintenance of any such registration, recording or filing or depositing or to any rerecording, refiling or redepositing of any thereof;

(b) to see to any insurance or to effect or maintain any such insurance;

(c) except as provided in Section 5.06, to see to the payment or discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind owing with respect to or assessed or levied against any part of the Trust Estate;

(d) to conform or verify any reports other than to furnish the Beneficiary with a copy of each such report furnished to the Trustee by the Lessee pursuant to the Lease; or

6.03. The Trustee makes no representation or warranty to the Beneficiary:

(a) AS TO THE VALUE, CONDITION, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS FOR USE OF ANY EQUIPMENT OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO THEIR TITLE THERETO OR AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCERNIBLE, OR AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO ANY EQUIPMENT WHATSOEVER;

(b) as to the validity, execution, sufficiency, legality or enforceability of this Trust Agreement, the Assignment Agreement (except as to its own authority to execute the same and the due execution thereof by and enforceability thereof against the Trustee), the FSBU-BI or any document contemplated thereby, or as to the correctness of any statement contained in any thereof;

(c) as to the allowability of any deduction or credit, the excludability of any income, or the securing of any other tax benefit by reason of any

Beneficiary's holding any interest in the Trust or as to the value of any property or services of or relating to the Trust.

6.04. The Trustee shall have no liability or responsibility hereunder with respect to monies except to the extent that such moneys are actually received by the Trustee. No moneys received by the Trustee hereunder need be segregated in any manner except to the extent required by law and the Trustee shall not be liable for any interest thereon.

6.05. The Trustee shall not incur any liability to the Trustor or any Beneficiary or any other person or entity in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. As to any fact or matter the manner of ascertainment of which is not specifically described herein, the Trustee may for all purposes hereof rely on a certificate, signed by or on behalf of the proper party executing the same, as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken in good faith in reliance thereon. In the administration of the Trusts hereunder, the Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through other agents or attorneys and may, at the expense of the Trust Estate, seek advice of counsel, accountants and other skilled persons to be selected and employed by it, and the Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

6.06. In accepting and performing the trusts hereby created, the Trustee acts solely as trustee hereunder and not in its individual capacity; and all persons, other than the Beneficiary, having any claim against the Trustee by reason of the transactions contemplated hereby shall look only to the Trust Estate for payment or satisfaction thereof.

6.07. The Trustee shall have the absolute right to take any action and to exercise any right, remedy, power or privilege conferred upon the Trustee hereunder; and any action taken by the Trustee from time to time serving hereunder shall be binding upon the Beneficiary and no person dealing with the Trustee from time to time serving hereunder shall be obligated to confirm the power and authority of the Trustee to act.

7. Indemnification of Trustee by the Beneficiary

7.01. The Beneficiary hereby agrees to assume liability for, and does hereby indemnify, protect, save and keep harmless the Trustee, the Agent, the Lenders and/or their respective successors, assigns, legal representatives, agents and servants, and in the case of any individual Trustee, his executors, heirs, administrators and personal trust estates, from and against any and all liabilities, obligations, losses, damages, penalties, taxes, claims, actions, suits, costs, expenses, fines or disbursements (including legal fees and expenses) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Trustee, the Agent, and/or the Lenders in any way relating to or arising out of this Trust Agreement, or any document contemplated thereby, or the performance or enforcement of any of the terms hereof or of any thereof, or in any way relating to or arising out of the FSEU-BI or the

manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return, storage or other disposition of any item of equipment, or in any way relating to or arising out of the administration of the Trust Estate, the payment or deposit of any monies hereunder, the acts or failure to act of the Beneficiary or any designated agent of the Trustee, the Agent and/or the Lenders reasonably chosen by the Trustee, or the action or inaction of the Trustee hereunder, except only in the case of willful misconduct or gross negligence on the part of the Trustee, the Agent and/or the Lenders in the performance of its duties hereunder. The indemnities contained in this Section shall survive the termination of this Trust Agreement or the removal, replacement or resignation of the Trustee, the Agent, the Lenders or any successor thereof pursuant to the terms of Section 8 hereof. In addition, if necessary, the Trustee, the Agent and/or the Lenders shall be entitled to indemnification from the Trust Estate for any liability, obligation, loss, damage, penalty, claim, action, suit, cost, expense or disbursement indemnified against pursuant to this Section to the extent not reimbursed by the Lessee, Seller, the Beneficiary or any other person; and, to secure the same, the Trustee shall have a lien on the Trust Estate prior to any interest therein of the Beneficiary but subject and subordinate to the rights and interests of the Lessee under the Lease and of the Lender under the Loan Documents.

7.02. The Beneficiary hereunder shall have personal liability with regard to any claim of any kind and nature whatsoever which may be imposed upon the Beneficiary with regard to its interest in the Trust Estate; provided, however, that, with regard to any non-recourse contractual obligation with regard to the Trust Estate, the Beneficiary shall have no personal liability with respect thereto except to the extent that the Beneficiary have personally assumed in writing such personal liability; and provided further that this Section shall not be deemed to increase the liability of the Trustee hereunder or to limit the indemnifications under Section 7.01 hereof.

8. Successors to the Trustee

The Trustee or any successor thereto may resign at any time without cause by giving at least 30 days prior written notice to the Beneficiary, such resignation to be effective on the date of appointment of a successor trustee as hereinafter provided. In addition, the Beneficiary may at any time remove the Trustee without cause by an instrument in writing delivered by each of them to the Trustee; and the Beneficiary shall remove the Trustee if the Trustee shall cease to be engaged in business, make an assignment for the benefit of creditors, admit in writing its inability to pay its debts as they become due, or a petition under any provision of the Federal Bankruptcy Code (as it now exists or may hereafter be amended) or any analogous state law is filed by or against it, or a trustee, receiver or liquidator of all or a substantial portion of its assets or properties is appointed for it.

In the case of the resignation or removal of the Trustee, the Beneficiary shall appoint a successor corporate trustee by a written instrument signed by the Beneficiary. If the Beneficiary shall not have appointed a successor corporate trustee within 30 days after notice of such resignation or removal, the Trustee shall continue as Trustee and may apply to any court of competent jurisdiction to appoint a successor corporate trustee to act until such time, if any, as a successor shall have been appointed by the Beneficiary. Any successor corporate trustee so appointed by such court shall immediately and without further act be superseded by any successor corporate trustee appointed by the

Beneficiary and in no event later than one year from the date of the appointment by such court.

(a) A successor trustee hereunder shall be deemed a "Trustee" for all purposes hereof, and each reference herein to the Trustee shall thereafter be deemed to include such successor.

(b) Any successor trustee, whether appointed by a court or by the Beneficiary or the Trustee shall execute and deliver to its or his predecessor trustee an instrument accepting such appointment, and thereupon such successor trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor trustee in the trusts hereunder with like effect as if originally named as Trustee herein; but nevertheless upon the written request of such successor trustee such predecessor trustee shall execute and deliver an instrument transferring to such successor trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of such predecessor trustee, and such predecessor trustee shall duly assign, transfer, deliver and pay over to such successor trustee any property or moneys then held by such predecessor trustee upon the trusts herein expressed.

(c) Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation or partnership to which substantially all the corporate trust business of the Trustee may be transferred, shall, subject to the terms of this Section, be the Trustee under this Trust Agreement without any further act.

(d) A successor trustee shall have the same duties, powers and discretion conferred herein on the Trustee. A successor trustee may accept the assets of the Trust Estate delivered to it by its predecessor trustee as constituting the entire Trust Estate, and shall not be required to take any action to determine what constitutes the Trust Estate or to obtain possession of any assets thereof or to investigate any acts, omissions or misconduct of his predecessor trustee.

9. Supplements and Amendments

9.01. Subject to the provisions of the Loan Documents and the rights of the Agent and the Lenders thereunder, upon the written request of the Beneficiary (a) the Trustee and the Beneficiary shall execute a supplement hereto for the purpose of adding provisions to, or changing or eliminating provisions of, this Trust Agreement as specified in such request, and (b) the Trustee shall enter into or consent to such written amendment of or supplement to the Lease as the Lessee or the Agent, as the case may be, may agree to and as may be specified in such request, or execute and deliver such written waiver or modifications of the terms of the Lease as may be specified in such request. It shall not be necessary for any such written request to specify the particular form of the proposed document to be executed pursuant to this Section, but it shall be sufficient if such request shall indicate the substance thereof.

9.02. If in the opinion of the Trustee any document required to be executed pursuant to the terms of Section 9.01 hereof imposes any additional or greater liability or duty or responsibility on, or limits or decreases any right of, or immunity or indemnity in favor of, the Trustee in respect of which such

document is proposed to be executed, the Trustee may decline to execute such document.

9.03. Subject to the provisions of the Loan Documents and the rights of the Lenders and the Agent thereunder, it is understood and agreed that the Beneficiary may transfer its Beneficial Interest in the Trust Estate to one or more transferees upon notice to the Trustee, such transfer to be evidenced by an amended Schedule A hereto; upon any such transfer and the consent of the Trustee thereto, such transferee shall, for all purposes, become a Beneficiary hereunder to the extent of its percentage interest in the Trust Estate as set forth in such amended Schedule A.

10. Representations, Warranties and Covenants of the Beneficiary

The Beneficiary represents and warrants to the Trustee, both in its individual capacity and as trustee, as follows:

(a) any Beneficiary that is a corporation is duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation, and has the corporate power and authority to carry on its business as now conducted, to own or hold under lease its properties and to enter into and perform its obligations under this Agreement;

(b) any Beneficiary that is a general or limited partnership is duly organized and validly existing under the laws of the jurisdiction of its organization;

(c) this Agreement has been duly authorized by all necessary action on the part of the Beneficiary, does not require any approval not already obtained of the Beneficiary or any approval or consent not already obtained of any trustee or holder of any indebtedness or obligation of the Beneficiary and have been duly executed and delivered by the Beneficiary, and neither the execution and delivery thereof, nor the consummation of the transactions contemplated thereby, nor compliance by the Beneficiary with any of the terms and provisions thereof will contravene any United States federal or state law, judgment, governmental rule, regulation or order applicable to or binding on the Beneficiary or contravene or result in any breach of or constitute any default under, any indenture, mortgage, chattel mortgage, deed of trust, conditional sales contract, bank loan or credit agreement, corporation charter, by-law or other agreement or instrument to which the Beneficiary is a party or by which it or its properties may be bound or affected;

(d) this Agreement constitutes a legal, valid and binding obligation of the Beneficiary enforceable against the Beneficiary in accordance with its terms; and

(e) there are no pending or threatened actions or proceedings against the Beneficiary before any court or administrative agency which, if determined adversely to the Beneficiary, would materially adversely affect the financial condition of the Beneficiary or the ability of the Beneficiary to perform its obligation under this Agreement.

11. Termination, Revocation and Miscellaneous

11.01. In the event of any dispute with respect to delivery or ownership or right to possession of any funds or documents or any other assets constituting part of the Trust Estate or held by the Trustee, the Trustee may, without liability to the Beneficiary, retain such funds, documents or assets until such dispute has been settled by agreement of the parties, or by final order, decree or judgment of a tribunal having jurisdiction, or the Trustee may, at its option, deposit such funds, documents or assets with the clerk of any state or federal court having jurisdiction and interplead the disputing claimants.

11.02. Subject to the provisions of the Loan Documents and the rights of the Lenders and the Agent thereunder, this Trust Agreement and the trusts created hereby in any event shall terminate and this Trust Agreement shall be of no further force or effect upon the earlier of (a) the sale, transfer or other final disposition by the Trustee of all property, including all right, title and interest of the Trustee in and to the Lease and the Equipment and the final distribution by the Trustee of all money, other property and proceeds constituting the Trust Estate, or (b) 21 years less one day after the date of the earliest acknowledgment of the execution of this Trust Agreement by any party hereto; otherwise this Trust Agreement and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

No later than the effective date of termination of this Trust, the Trustee shall execute and deliver to the Beneficiary or otherwise to any person designated in writing by the Beneficiary a bill of sale and any other documents necessary to evidence the transfer of undivided legal title to the Trust Estate to the Beneficiary in proportion to their Beneficial Interest or to any such person, in form and content reasonably requested by the Beneficiary or such other person prior to such termination. Such bill of sale and documents shall be without recourse or warranty with respect to the Trustee except for the Trustee's representation and warranty that no mortgage, security interest, pledge, charge, lien, encumbrance or claim with respect to title to the Trust Estate has arisen as a result of any act, omission or claim against the Trustee, in its individual capacity or as a result of the gross negligence or willful misconduct of the Trustee.

11.03. The Beneficiary shall not have legal title to any part of the Trust Estate, unless and until this trust is terminated in accordance with Section 11.02 hereof. No transfer, by operation of law or otherwise, of the right, title and interest of the Beneficiary to or in the Trust Estate or hereunder shall operate to terminate this Trust Agreement or the trusts hereunder or entitle any successor or transferee of the Beneficiary to an account or to the transfer to it of legal title to any part of the Trust Estate.

11.04. Nothing in this Trust Agreement shall be construed to give to any person other than the Trustee, the Beneficiary and permitted transferees and the Lender any legal or equitable right, remedy or claim under or in respect of this Trust Agreement; but this Trust Agreement shall be held to be for the sole and exclusive benefit of the Trustee, the Beneficiary and permitted transferees and the Lender, who shall be and are third-party beneficiaries of this Trust Agreement.

11.05. All notices required or permitted to be given hereunder shall be in writing and shall be deemed given when delivered or when deposited in the

United States mails, certified, postage prepaid, and addressed with the full name and address of the appropriate party set forth above.

11.06. No term or provision of this Trust Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought and, during the time any of the Loan Documents shall remain outstanding and any portion thereof unpaid, consented to in writing by the Trustee on behalf of the Lender; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

11.07. This Trust Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

11.08. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the Trustee and its successors and assigns, and the Beneficiary and their successors and assigns. Any request, notice, direction, consent, waiver or other instrument or action by the Beneficiary shall bind their successors and assigns.

11.09. This Trust Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the Trustor, the Trustee, and the Beneficiary, each pursuant to due authority, have caused this instrument to be executed, each as of the Effective Date.

INVESTORS ASSET HOLDING CORP.,
not in its individual capacity but
solely as Trustee of AFG/AT&SF 1994-1

By: 

Title: Authorized Signer

Beneficiary:

AMERICAN FINANCE GROUP

By: 

Title: Authorized Signer

SCHEDULE A TO TRUST AGREEMENT

Trust Name: AFG/AT&SF 1994-1 TRUST

Effective Date: May 24, 1994

Beneficiary with 100% interest: American Finance Group

AMERICAN FINANCE GROUP

By:

Dun

Title:

Treasurer

Amendment No. 1 to Master Trust Agreement

This Amendment No. 1 to Master Trust Agreement dated as of May 27, 1994 ("Amendment"), amends in part that certain Master Trust Agreement dated as of October 31, 1978 ("Master Trust Agreement") between Itel Corporation as Trustor and First Security Bank of Utah, N.A. as Owner Trustee ("Trustee"), is by and between the Trustee and Investors Asset Holding Corp., a Massachusetts corporation not in its individual capacity but solely as trustee of the AFG/AT&SF 1994-1 Trust ("Purchaser").

WHEREAS, Residual Based Finance Corporation, an Illinois corporation ("Seller") has purchased the entire beneficial interest of the Trust ("Beneficial Interest") established under the terms of the Master Trust Agreement pursuant to that certain Authorization and Direction dated as of May 15, 1979 (the "Authorization and Direction" and the trust created pursuant thereto the "Trust"); and

WHEREAS, Seller acquired the Beneficial Interest pursuant to the Prior Purchase Agreement and Prior Assignment (as such terms are defined in the Agreement Re Assignment of Beneficial Interest of even date herewith between Purchaser and Seller ("Agreement Re Assignment") and is conveying to Purchaser the Beneficial Interest pursuant to the Agreement Re Assignment and the Assignment both of even date herewith among Seller, Purchaser and Trustee (such Agreement Re Assignment, such Assignment, the Prior Purchase Agreement and the Prior Assignment collectively referred to hereinafter as the "Transfer Agreements"); and

WHEREAS, the permanent debt financing secured by the property constituting the trust estate of the Trust ("Trust Estate") has been paid in full by Seller and such Trust Estate is no longer subject to the Indenture or any other lien or encumbrance; and

WHEREAS, Purchaser is acquiring the Beneficial Interest from Seller with the proceeds of a loan from the lenders under that certain Credit Agreement dated as of October 7, 1993 with American Finance Group, as borrower, National Westminster Bank USA, as agent ("NatWest"), and in connection with such loan, the Trustee is executing and delivering those certain Assignment of Lease, Security Agreement and Guaranty, each of even date herewith, (together with other related documents "Loan Documents"); and

WHEREAS, pursuant to the provisions of Section 9.4 of the Master Trust Agreement, Trustee and Purchaser wish to amend the Trust Agreement so as to authorize, ratify and confirm the transfers taking place pursuant to the Transfer Agreements and to amend the Master Trust Agreement to permit the Trustee on behalf of and at the direction of Purchaser to finance the Purchaser's acquisition of the Beneficial Interest by executing and delivering the Loan Documents.

NOW THEREFORE for and in consideration of the mutual covenants contained herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Amendment to Master Trust. The parties hereto agree that each of their obligations hereunder shall inure to the benefit of and be enforceable by a Subsequent Lender (as hereinafter defined) to the same extent as such obligations inured to the benefit of the Trustee and were enforceable by the Trustee; in furtherance of and not in limitation of the foregoing, the Master Trust Agreement solely as it relates to the Trust and the Beneficial Interest is hereby amended as follows:

- (a) The following shall be added as new Subsection (c) to Section 1.2.: "In the event that the Equipment and Related Lease shall cease to be subject to the lien of the Indenture and that the Trustee shall cease to have any interest therein, and upon the direction of the Related Beneficiary, to execute and deliver such notes, guaranties, security agreements and related loan documents (Loan Documents) evidencing the loan of, and securing the repayment of, a loan from the lenders under that certain Credit Agreement dated as of October 7, 1993, with American Finance Group, as borrower, with NatWest as Agent, or from any person (NatWest as Agent on behalf of such lenders or any other such person being referred to as a Subsequent Lender) refinancing the interest of a Related Beneficiary hereunder.
- (b) Subsection (c) of Section 1.2. is hereby redesignated "(d)".
- (c) Section 3.1. is hereby amended by adding the words "or Subsequent Lender" in the caption thereof and by inserting the following at the very end of this subsection prior to the period "or the rights of any Subsequent Lender under the related Loan Documents".
- (d) Section 3.3. is hereby amended by adding after "Trustee" in the fourth line thereof: "or Subsequent Lender, as the case may be".
- (e) Section 4.4 is hereby amended by adding after the first comma in line 19 thereof the following: "or the rights of any Subsequent Lender under the related Loan Documents,".
- (f) Section 4.5. is hereby amended by inserting in the sixth line thereof following the word "Trustee" the following: ", or a Subsequent Lender, as the case may be,".

- (g) Section 4.6. is hereby amended by adding in the fourth line of Subsection (c) thereof following the word "Supplement" the following: "or that of the Loan Documents, as the case may be".
- (h) Section 4.8. is hereby amended by inserting in the sixth line of Subsection (b) thereof following the first comma the following: "the Loan Documents,".
- (i) Section 5.2. is hereby amended by inserting in the fourth line from the bottom following the comma the following: "the Loan Documents".
- (j) Section 8.2. is hereby amended by deleting from the fourth line thereof: "the Trustor," and by adding in the fourth line thereof after the last full word therein the following: "or Subsequent Lender".
- (k) The following shall be added as Section 8.3: "Section 8.3. Certain Transfers. Notwithstanding anything to the contrary contained herein, it is hereby authorized, ratified, confirmed and agreed that Residual Based Finance Corporation, an Illinois corporation ("Residco"), may become the Related Beneficiary with respect to, and sole owner of, the beneficial interest of the Trust created pursuant to that certain Authorization and Direction dated as of May 15, 1979 among the Trustor, Trustee, Commerce Bank of Kansas City, N.A. and Commerce-Manchester Bank ("Beneficial Interest") and that pursuant to that certain Agreement Re Assignment of Beneficial Interest dated as of May 27, 1994 between Residco and Investors Asset Holding Corp., not individually but solely as Trustee of the AFG/AT&SF 1994-1 Trust ("IAHC") Residco may transfer the Beneficial Interest to IAHC which may thereby become the sole owner of the Beneficial Interest and the sole Related Beneficiary of the Trust created pursuant to the above-mentioned Authorization and Direction notwithstanding that Residco and IAHC may not have met the requirements set forth herein to become Related Beneficiaries."
- (l) Section 9.4. is hereby amended by adding the following after the first comma on the twelfth line thereof: "the Loan Documents".
- (m) Section 10.1. is hereby amended by adding after the parenthetical in the third line from the bottom thereof the following: "or any related Event of Default under the Loan Documents".
- (n) Section 12.2. is hereby amended by amending and restating in its entirety Subsection (iv) to read as follows: "if to the Trustee or Subsequent Lender, at

its address set forth in the Indenture or Loan Documents, as the case may be".

- (o) Section 12.5. is hereby amended by adding after the word "Indenture" in the fifth line from the bottom thereof the following: ", or any Subsequent Lender".

2. Full Force and Effect. Except as amended by this Amendment to Master Trust Agreement, the Master Trust Agreement and the Authorization and Direction remain in full force and effect.

3. Capitalized Terms. All capitalized terms not otherwise defined herein shall have the meaning given them in the Master Trust Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

First Security Bank of Utah, N.A.
not in its individual capacity but
solely as Trustee, as aforesaid

By: _____

Title: _____

Investors Asset Holding Corp.,
not in its individual capacity but
solely as Trustee as aforesaid

By: [Signature]

Title: Treasurer

IN WITNESS WHEREOF, the parties hereto have executed this
Amendment as of the date first above written.

First Security Bank of Utah, N.A

By: _____

McClary
Asst. Vice President

Title: _____

Residual Based Finance Corporation

By: _____

Title: _____

Investors Asset Holding Corp.,
Trustee as aforesaid

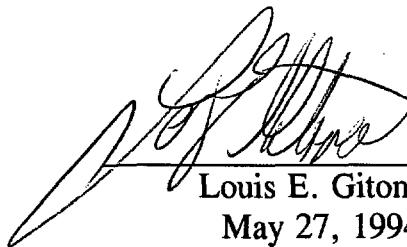
By: _____

Title: _____

j11.19984.50.std.Am2

CERTIFICATION

I, LOUIS E. GITOMER, have compared this copy to the original Security Agreement, dated May 27, 1994, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.



Louis E. Gitomer
May 27, 1994